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]	:	(Jointly Administered)

**DECLARATION OF BRYAN M. KOTLIAR, ESQ.
IN SUPPORT OF ELETSON'S HOLDINGS INC.'S
MOTION FOR ENTRY OF AN ORDER COMPELLING REED SMITH
TO HELP IMPLEMENT THE PLAN AND IMPOSING SANCTIONS**

I, Bryan M. Kotliar, Esq., declare pursuant to section 1746 of title 28 of the United States Code, as follows:

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

2. I respectfully submit this Declaration in support of *Eletson Holdings Inc.'s Motion for Entry of an Order Compelling Reed Smith to Help Implement the Plan and Imposing Sanctions* (the "Motion")[2] filed contemporaneously herewith.

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

[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 Motion.

Exhibit	Description
1.	December 23, 2024 SDNY (24-cv-08672) Hearing Transcript
2.	April 3, 2025 Hearing Transcript
3.	Reed Smith Opposition to Petitioner-Appellee's Motion to Dismiss in *In re Eletson Holdings, Inc.*, Case No. 25-445 (2d Cir.) [Docket No. 43]
4.	March 3, 2025 Hearing Transcript
5.	March 25, 2025 Hearing Transcript
6.	March 25, 2025 Letter from Louis M. Solomon to Clerk of the Court for the U.S. Court of Appeals for the Second Circuit, *In re Eletson Holdings, Inc.*, Case No. 25-445 (2d Cir.) [Docket No. 36]
7.	Omnibus Written Consent executed by Holdings (the "OC")
8.	Action by Written Consent for Eletson Corp. executed by Holdings (the "Eletson Corp. SC")
9.	Action by Unanimous Written Consent executed by the Eletson Corp. Board (the "Eletson Corp. UWC")
10.	Action by Written Consent of the Sole Stockholder of EMC Investment
11.	Action by Unanimous Consent of the EMC Investment Board
12.	Certificate of Incumbency for Eletson Holdings Inc. dated March 14, 2025
13.	Certificate of Incumbency for Eletson Corporation dated March 19, 2025
14.	EMC Investment Certificate of Election and Incumbency
15.	EMC Investment Articles of Redomiciliation to Marshall Islands
16.	Action by Written Consent of the Common Unit Holder of Eletson Gas executed by Holdings (the "Eletson Gas SC")
17.	Action by Unanimous Written Consent executed by the Eletson Gas Board (the "Eletson Gas UWC")
18.	Eletson Gas Appointment of EMC Gas Corp. Officers
19.	November 19, 2024 Email from Holdings to Reed Smith LLP (New York) with Instruction Letter
20.	November 19, 2024 Email from Holdings to Reed Smith LLP (London) with Instruction Letter
21.	November 19, 2024 Email from Holdings to Reed Smith LLP (Philadelphia) with Instruction Letter
22.	November 19, 2024 Email from Holdings to Reed Smith LLP (Pittsburgh) with Instruction Letter
23.	November 21, 2024 Letter from Reed Smith LLP to Holdings

Exhibit	Description
24.	December 4, 2024 Letter from Reed Smith LLP (London) to Holdings
25.	January 30, 2025 Email from Bryan Kotliar, Esq. to Reed Smith LLP (New York)
26.	January 30, 2025 Email from Bryan Kotliar, Esq. to Reed Smith LLP (London)
27.	January 30, 2025 Email from Bryan Kotliar, Esq. to Reed Smith LLP (Philadelphia)
28.	January 30, 2025 Email from Bryan Kotliar, Esq. to Reed Smith (Pittsburgh)
29.	November 21, 2024 Termination Letter from Holdings to Reed Smith LLP (New York)
30.	November 21, 2024 Termination Letter from Holdings to Reed Smith LLP (London)
31.	November 21, 2024 Termination Letter from Holdings to Reed Smith LLP (Philadelphia)
32.	November 21, 2024 Termination Letter from Holdings to Reed Smith LLP (Pittsburgh)
33.	November 21, 2024 Letter from Reed Smith LLP to Judge Liman (1:23-cv-07331-LJL, Docket No. 212)
34.	Notice of Appearance by Kyle J. Ortiz, *Eletson Holdings, Inc. et al v. Levona Holdings Ltd.*, 1:23-cv-07331-LJL, Docket No. 210
35.	Motion for Admission Pro Hac Vice by Jennifer Furey, *Eletson Holdings, Inc. et al v. Levona Holdings Ltd*, 1:23-cv-07331-LJL, Docket No. 223 – Text only order, Docket No. 225
36.	December 4, 2024 Letter from Leonard Hoskinson to Reed Smith LLP (the "December 4 Termination E-Mail")
37.	SDNY Order Displacing Reed Smith as Counsel and Directing Turnover of Client File., 1:23-cv-7331-LJL [Docket No. 269]
38.	SDNY Opinion and Order dated March 24, 2025, *Eletson Holdings, Inc., et. al. v. Levona Holdings Ltd.*, 1:23-cv-07331-LJL [Docket No. 295]
39.	Notice of Appearance by Kyle J. Ortiz, *Eletson Holdings, Inc. et al v. Levona Holdings Ltd.*, 1:23-cv-07331-LJL, Docket No. 213
40.	December 6, 2024 Letter from Stephenson Harwood to Reed Smith
41.	December 11, 2024 Email from Reed Smith [redacted]
42.	March 21, 2025 Email from Reed Smith [redacted]

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: New York, New York
April 16, 2025

/s/ Bryan M. Kotliar
Bryan M. Kotliar

EXHIBIT “1”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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ELETSON HOLDINGS INC. *et al.*,

Petitioners,

v. 23 Civ. 7331 (LJL)

LEVONA HOLDINGS LTD.,

Remote Conference

Respondents.

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New York, N.Y.
December 23, 2024
9:34 a.m.

Before:

HON. LEWIS J. LIMAN,

District Judge

APPEARANCES

REED SMITH LLP
Attorney for Petitioner
BY: LOUIS M. SOLOMON
COLIN A. UNDERWOOD

QUINN EMANUEL URQUHART & SULLIVAN LLP
Attorneys for Respondent
BY: ISAAC NESSER

TOGUT, SEGAL & SEGAL LLP
Attorneys for Respondent
BY: KYLE J. ORTIZ

GOULSTON & STORRS
Attorneys for Respondent
BY: JENNIFER FUREY

THE COURT: Good morning, everybody. This is a conference in two matters. In 23 civ. 7331, I have Mr. Nesser's application for relief from the stay. In 24 civ. 8672, which is the bankruptcy appeal, I have the motion to expedite the entry of the stipulation of dismissal. I have Mr. Solomon's opposition in both cases.

I propose to hear Mr. Nesser first, then I'll hear the applicants in the bankruptcy case for the stipulation of voluntary dismissal and then I'll hear from Mr. Solomon.

Mr. Nesser.

MR. NESSER: Thank you, your Honor. Good morning.

So, your Honor of course issued a stay several weeks ago. We had requested that stay initially and we have no problem with it continuing in principle. However, we've had a series of events that are causing us to believe that the Eleston parties -- parties purporting to represent Eleston are taking actions during the pendency of the stay that are designed to take advantage of the stay and to change stats on the ground while the stay is pending, which we think is inconsistent with the purpose of the stay and frankly an effort to avoid your Honor from being able to resolve these issues efficiently.

And, as we said in the letter, most recently we had a threat or indication that there's going to be a filing in England to recognize or enforce the JAMS arbitration. I should

say I don't know whether that will be England. It was a letter we got from Reed Smith London counsel. They haven't told us what they're planning to file precisely or where they're planning to file it, other to say the purpose of it is they're upset they don't have the money that they think Levona owes to Eleston Gas, which of course is crazy in a number of respects.

Number one, the award is subject to vacate a proceeding. Number two, Eleston Gas is not represented by Reed Smith. And number three, even if neither of those were true, the bankruptcy court issued a lift stay order that precludes any enforcement of the award. So we think it's out of order in a number of different respects, but it is concerning because it's suggesting they are trying to take advantage of the stay.

We've had other issues, too. They're purporting to arrest our ships. So they are arresting our ships. They've been making arguments that I believe counsel in the other matter has presented to your Honor concerning issues in Liberia and Greece, supposedly. And we think there's a threat that things are spiraling out of control. So we requested therefore that the stay be lifted so that Levona can proceed quickly on its vacatur petition.

THE COURT: Let me ask you this question: Why should I do anything more -- even assuming I agree with you -- than lift the stay for the limited purposes of permitting you to make a motion to enjoin any of the foreign proceedings that

would seek to confirm an award that is subject of orders before me and proceedings before me, and perhaps, to permit motions for intervention by Gas or by the parties who receive benefits under the award?

MR. NESSER: So, your Honor, on the issue of intervention by Gas we think -- and I suppose you'll hear more about this in the context of the other application before your Honor today. But we don't believe that Gas has any ability to intervene. We believe that Gas, as a subsidiary of Holdings is controlled by Holdings.

So the suggestion that Reed Smith, representing Eleston Gas could pursue such an intervention motion, seems wrong based on what Levona understands. And certainly the suggestion that Reed Smith could represent Eleston Gas notwithstanding that it's been on the other side of all of this for so long, seems incorrect. That seems to me, as counsel for Levona, as if it were to represent a disabling conflict. Obviously that's not my conflict to police.

Having said all of that, yes, if your Honor is amenable to permitting a motion to enjoin the foreign proceedings, we would be happy to proceed that way.

I would note one other thing. This could be --

THE COURT: Wait. Mr. Nesser, before you note the one other thing.

MR. NESSER: Yes.

THE COURT: There were two parts to my question. One was the intervention, but the other part --

MR. NESSER: Sure.

THE COURT: -- was why should I open it up for foreign discovery in 7331.

MR. NESSER: Sure. And what I meant to express is if that's your Honor's inclination, we have no objection to leaving discovery stayed, so long as we could pursue the injunction against the foreign proceedings that your Honor noted. Because our concern, as we said, we would be content to have the stay remain in place. Our concern is that there are actions that are being taken during the pendency of the stay that are designed to take advantage of the stay. It's like, idle minds are the devil's workshop. Right?

So we just have the stay here and it's causing an opening for things to happen elsewhere. But if your Honor were going to entertain an injunction to preclude the stuff from happening elsewhere, then we think it would probably resolve it.

The one other thing I was going to mention is that all of this could be pretty easily avoided of Mr. Solomon or his colleagues at Reed Smith would represent now that they're not going to file an international proceeding to recognize or enforce the award purporting to represent Eleston Gas. That seems out of bounds in so many different ways, but that seems

like it ought to be an easy ask. So that representation that that won't be that action filed, there won't be other actions filed purportedly on behalf of Eleston Gas anywhere in the world. That would, you know, avoid the need for any of this to be filed.

THE COURT: Okay. Let me hear from the applicant in the bankruptcy matter.

I'm putting aside, by the way, the colorful language about idle minds and devil's workshop, which is colorful language, but not really pertinent to any issue before me.

Go ahead, counsel.

MS. FUREY: Thank you, your Honor, and --

THE COURT: Please identify yourself for the record. I'm not sure that you have addressed me.

MS. FUREY: Good morning, your Honor. My name is Jennifer Furey. I'm an attorney at Goulston & Storrs and I represent Eleston Holdings Inc.

Before I turn to the second matter of the appeal, I did just want to note one other request as it relates to the 331 matter that you were just discussing with Levona's counsel. And that is, on behalf of Eleston Holdings Inc., we would request that if the stay be lifted for a limited purpose, that purpose also include Eleston -- a motion or request by Eleston Holdings to compel Reed Smith to turnover its file.

As has been noted in various letters, we, the

plaintiffs, indisputably become effective, we, as Goulston & Storrs, as new counsel for Eleston Holdings Inc. Reed Smith is former counsel of Eleston Holdings Inc. A request has been made by both directly from Eleston Holdings and by Goulston & Storrs to Reed Smith for the files. And those requests have been rejected out of turn and not a single document has been submitted.

So I just wanted to --

THE COURT: Let me ask you the question with respect to that request.

I understand that there are some proceedings currently in front of Judge Mastando, including a motion for sanctions. Am I correct about that?

MS. FUREY: Correct. It does not include -- correct. There are pending proceedings in front of the bankruptcy judge.

THE COURT: And why wouldn't that request that you're making now for the files be more appropriately raised in the bankruptcy court. In front of me in 7331, is the question of whether to vacate the arbitration award.

There are discovery requests that are currently pending in front of me that call for some of the records of Reed Smith. But it seems to me that the corporate governance issues that you're raising are better raised in the bankruptcy court. Why isn't that the case?

MS. FUREY: Your Honor, in front of the bankruptcy

court there is a very limited motion that's been filed, and that's just a motion for sanctions. So that is a motion to determine whether Reed Smith and other parties, including former debtors, should be subject to sanctions for failure to comply with the order.

In front of this Court, your Honor, is a proceeding which ultimately could determine whether the arbitration should be confirmed or vacated. The files that we're seeking relate really to that matter because they go to whether in fact the arbitration should be confirmed or vacated. And without those files -- and this is not, you know, this is apart from discovery. As new counsel for Eleston Holdings, we need to be in a position to assess that, to assess the viability of those claims, to assess our strategy, to assess whether they -- you know, the confirmation proceedings should be continued, and whether, you know, what our arguments are, you know, and how strong they are against vacature. And that really is step one as new counsel and that is very much the heart of the 331 matter. And without those files --

THE COURT: I take it by your request, there are fairly well-established standards in New York with respect to documents that prior counsel should be required to turnover, and those that it need not be required to turnover. I haven't refreshed myself in anticipation of this conference. But my general recollection is that certain internal firm e-mails are

not necessarily the subject of -- need not be turned over.

I take it you're not -- there are limits to what you're seeking?

MS. FUREY: There may be limits to what we're seeking, your Honor. My understanding of the New York law is that internal e-mails, to the extent that they are legal memorandum, work product, meant for the benefit of the client, certainly would need to be turned over. E-mails between lawyers within the firm over, you know, something else, scheduling, whatever, or just banter, may not be. That being said, we're not --

THE COURT: I think it's the *Proskauer Rose* decision. Right?

MS. FUREY: Exactly. Exactly, your Honor. But we're not even there yet because Reed Smith is refusing to turnover a single document. Not even the pleadings. Nothing.

So this isn't a case where we have been negotiating over the scope of the file and what is appropriately belongs to client or the firm. This is a situation where we've been completely -- we haven't been able to see a single document, even though they are --

THE COURT: All right. Ms. Furey, let me ask you -- I understand that issue now.

Let me ask you to address your motion to expedite and the stipulation of voluntary dismissal. And maybe you have eluded to it, but confirm for me that the plaintiff

confirmation is now a final order and is not subject to staying.

Also, explain to me your understanding of the Greek proceedings and whatever order exists in Greece. And then make your argument to me with respect to the relief you're seeking in the bankruptcy case.

MS. FUREY: Yes, your Honor.

So the plan, the confirmation order in the bankruptcy was entered on November 4th. The bankruptcy plan went into effect on November 19th. It has not been stayed, and no party to this appeal has ever disputed those facts.

THE COURT: Okay.

MS. FUREY: So the plan has indisputably become effective, and it has not been stayed. My understanding --

THE COURT: To order of the bankruptcy court?

MS. FUREY: Exactly, your Honor. Yes.

There's a confirmation order, again, that was entered into on November 4th. The plan indisputably went into effect on November 19th. There has been no stay.

THE COURT: Okay.

MS. FUREY: As far as the Greek order, so as you saw, Reed Smith informed cocounsel, rely upon an ex parte Greek order giving temporary authority -- so-called temporary authority to a so-called provisional board. We believe that this Greek order was obtained fraudulently. It was obtained

through --

THE COURT: You've attached for me the Greek order. It's a lengthy document. Most of it appears to be the application. Where is the actual order portion of it?

MS. FUREY: You're correct, your Honor, that is the application. The reason we included the whole thing is I think there was a notation on the application that was an order as well, just saying an order. But it starts on page 399. So the actual order is from pages 399 to 402.

And as we note in our letter, there's a lot -- there are many misrepresentations, you know, in this Greek letter. But on page 373, I'm just going to note one of them that is particularly applicable here.

On page 373 of the application in Greece, the applicants say: Therefore, today, the company lacks management and legal representation. And that's the basis for which they sought this provisional board. And of course that is false. The plan, which is a binding order, which raised judicata effect, resulted in immediate creation of a new board of directors after the automatic resignation of the former board. And that's plan Section 5.10.

But even -- so but even taking -- even if you took this Greek court order at face value, that a provisional board has been appointed in Greece, that is -- and that Reed Smith has been retained from that provisional board. That cannot

mean that Reed Smith can act contrary -- or whomever they claim to represent -- can act contrary to this Court's orders or the orders of the bankruptcy court.

So this, I would say that while certainly we dispute any sort of enforceability of the Greek order, your Honor, you don't need to even go there because it's irrelevant for purposes of this particular request.

So this particular situation arose because Reed Smith, without clarifying with whom they represent, asked this Court to hold the entry of stipulation. But they do so on this false narrative that there's some dispute as to EHI authority to enter into a stipulation of dismissal in this U.S. proceeding. But this is wrong in multiple respects.

First, the plan indisputably went effective. We said no stay was sought or brand. Again, these facts are acknowledged by all parties. And on the effective date of the plan, Reed Smith as existing counsel of Eleston Holdings was automatically terminated, shares changed hands, money was paid, a new board of directors was appointed and new counsel, Goulston & Storrs, was then retained.

So this is not about a foreign entity seeking to do something in a foreign jurisdiction. This is about an entity that was voluntarily reorganized through a U.S. bankruptcy proceeding in which it consented to personal jurisdiction seeking to act in this United States court.

So to argue that the stipulation should not be entered is an assault on this Court's authority. It's also an assault on the plan, the bankruptcy plan, because the Court -- like all plans with foreign issues, contains an order for the debtors and all counsel to cooperate in the implementation of the plan. And it also contains injunction language against interference of the implementation of the plan. And that must mean something.

And Reed Smith, in its former debtors actions, are causing major repercussion damage and, frankly, havoc. They're using this open appeal to cause -- to file inappropriately on behalf of my client, Eleston Holdings, motions in foreign jurisdictions and trying to relitigate issues that have been already decided by the U.S. courts.

So as explained in our letter, your Honor, the former debtors again, on behalf of EHI, my clients, filed a motion to dismiss the foreign recognition proceeding in Liberia. Now, this proceeding was only necessary because EHI's former management refused to provide information necessary to file AOR in Liberia. So they had to go -- EHI had to file --

THE COURT: Yeah. I've read those papers.

Let me ask you this question, which pertains to the proceedings before Judge Mastando. Before Judge Mastando, are you making the arguments that the proceedings in Liberia, the proceedings in Greece, are in violation of the injunction that

he issued? And therefore, aren't a lot of these issues already in front of Judge Mastando? Are you asking me to step on Judge Mastando's toes?

MS. FUREY: No, your Honor. I'm not counsel in the bankruptcy case. Togut is. And so I will let Togut explain exactly the scope of those orders. But I certainly have read everything that has been filed. And I will tell you that we are absolutely not asking you to step on Judge Mastando's toes. Because the issues in front of Judge Mastando is whether those filings are sanctionable or not and whether the refusal to recognize the effectiveness of the plan and the obstruction of this activity is sanctionable.

Here, we are asking your Honor to dismiss -- to enter a stipulation dismissal that is filed in your court. So Judge Mastando has not been asked, nor would he have the authority to, enter that stipulation of dismissal in your court. And this should be --

THE COURT: I get your argument.

Why don't I hear very briefly from Togut just how this relates to the proceedings in front of Judge Mastando and then my being asked to prejudge the questions before him whether the conduct of Reed Smith is sanctionable. It would not be my intent to do that.

MR. ORTIZ: Good morning, your Honor. This is Kyle Ortiz of Togut Segal. We represent the petition creditors

during the bankruptcy and then we're engaged by Eleston Holdings following the effective date as well.

The proceedings in the bankruptcy court, your Honor, are an effort to really seek compliance with the plan, as well as, you know, seek to put parties in contempt and sanctions if they refuse to do. So we certainly believe that the actions in Liberia and in Greece are in violation of the plan and part of what we are seeking to sanction these parties on. But I do think there's some distinction here.

One, in those proceedings, only Reed Smith has appeared to respond. They're making the argument that they're not here with regard to any of the other parties that we are seeking sanctions against. And therefore, it really, at this point, according to Reed Smith, is just Reed Smith that's there. I also would need we had a proceeding in front of Judge Mastando on Friday. And I'm going to be careful here, your Honor, because we don't yet have a transcript, and if my memory is wrong I will correct myself through a letter or somehow. But I do believe he was asking about this appeal. And one of the issues we raised is the fact that they're now seeking to use the fact that the appeal, in our view, is improperly still open to argue that they have a grounds for dismissal in Liberia, which is a bit of a shell game. And Mastando asked the question -- I'm sorry, Judge Mastando asked the question well -- if that appeal is dismissed, wouldn't that be something

you could tell the Liberian court.

So I don't think Judge Mastando necessarily thinks that the two are necessarily connected. I think Judge Mastando is somebody who is a very methodical and careful judge and tries to just look at what's directly in front of him and make sure that he is addressing those things and isn't the type of judge who really reaches outside of what directly is in front of him.

But I don't think they're necessarily perfectly intertwined, your Honor.

THE COURT: Okay.

Mr. Solomon, let me hear from you.

MR. SOLOMON: Thank you, your Honor.

There is a 100 percent overlap between the predicate facts that we disagree with and think we will disprove of the motion to expedite dismissal of an appeal and the matters between Judge Mastando. A 100 percent overlap.

So the question there, as Mr. Ortiz just said, is the implementation of the plan. And we have been heard, your Honor. We did not have an opportunity to respond to the letters that your Honor is now speaking to.

THE COURT: Who are you representing at the moment? As you're speaking to me, who are you speaking on behalf of?

MR. SOLOMON: We are representing Eleston Holdings. Eleston Holdings continues to exist. We call it provisional

just so that we don't get confused. They call the Eleston Holdings that they I believe improperly are purporting to represent, as reorganized holdings.

There are, in the plan and in the confirmation order, over a dozen different places, all of this, everything I'm about to tell your Honor is before Judge Mastando. Over a dozen different places where the plan and the confirmation order say that any order entered here is an order only to the extent it is compliant with all applicable law, including the law of Liberia. This is a Liberian corporation. And you don't just extinguish the shares, you don't just change the board of a Liberian corporation.

Your Honor would remember earlier in the year it was Levona who was arguing to your Honor that you needed to look at Liberian law to be able to answer questions of incorporation. That is exactly what is happening here. So it is true that the plan went defective. It is not true that it is implementable. It is only implementable if and when the Liberian court recognizes the award, recognizes the confirmation order.

Now, we believe that this is a --

THE COURT: So tell me, I'm going to pull up the plan of confirmation at the moment. And you will tell me what you're relying on.

Give me one moment to pull it up.

MR. SOLOMON: All of these papers were submitted to

Judge Mastando, your Honor.

THE COURT: I've got the -- I'm going to have the plan of confirmation. The plan of confirmation was submitted to me. It was submitted to me in 7331.

Maybe, Mr. Nesser, you have the docket number. I've got it. Nevermind it is Dkt. No. 202-3.

All right. Tell me what you're pointing to, Mr. Solomon.

MR. SOLOMON: Thank you, your Honor. It is really exactly what Judge Mastando said he needs to have a hearing, an evidentiary hearing.

THE COURT: No, just tell me what you're referring to.

MR. SOLOMON: In 5.2(b) of the plan, it says that: The plan proponents can take action as permitted by applicable law. And then it --

THE COURT: Hold on for a second. Hold on for a second.

MR. SOLOMON: I'm sorry, your Honor. It's page 35 of 148.

THE COURT: I'm 5.2(b) of the plan, which is on page 27 of the plan of --

MR. SOLOMON: That's right, your Honor. And if your Honor would --

THE COURT: Hold on for a second.

Okay. What are you relying upon, Mr. Solomon?

Mr. Solomon, what are you relying upon?

MR. SOLOMON: I'm sorry, I thought your Honor could hear me.

We are relying on the multiple places in 5.2(b). This is the first of several things I would like to call to your Honor's attention, which we haven't been able to put in in writing. But it here specifically says that they can take actions as permitted by applicable law. And then it lists execution and delivery of appropriate agreements, execution and delivery of instruments, the filing of appropriate certificates. If applicable law is defined to include foreign law.

In Section 5.4, your Honor, we are -- the Goulston letter says to your Honor that the board was replaced and the shares were canceled. Incorrect. Factually incorrect.

THE COURT: Hold on for a second. Okay. Why are you saying that's incorrect?

MR. SOLOMON: It is incorrect because 5.4 explicitly says that: Notes, stock where permitted by applicable law can be canceled. Applicable law does not permit the cancellation of the stock.

It's for that reason, your Honor, that Pach Shemen, the merchant entity, went and sought and is now in the middle of a proceeding to recognize the bankruptcy plan because none of the stock is canceled, we're not permitted by applicable

law.

We submitted to Judge Mastando expert reports of a Liberian lawyer who goes through the Liberian statute, and why for a Liberian corporation there needs to be recognition of the bankruptcy plan and the confirmation order before any of these corporate acts, any of them, can be taken.

Now, Judge Mastando, in entering the confirmation order, I was just reading from the plan, your Honor, and there are about ten places there. I will not burden your Honor with the rest. But in the confirmation order itself, this is make 21 --

THE COURT: What is your clients, who I gather are by operation of the plan, are the former directors of Eleston Holdings, have any standing to raise any of these issues? Your clients enter an injunction not to interfere with all these actions that Eleston Holdings and the current directors who are replaced as of the effective date would want to take.

MR. SOLOMON: We believe that's factually and legally incorrect, your Honor. As we will -- we have shown Judge Mastando in our proof to him on the 6th and the 7th.

The order and the plan have injunctions only to the extent permissible under applicable law. I'm reading from paragraph five of the confirmation order.

THE COURT: Aren't you basically then saying that the order of the bankruptcy court is almost elusory? That it --

before it has any effect. It would have to be blessed by a Liberian court --

MR. SOLOMON: Not at all, your Honor.

THE COURT: Seems an extreme position as a matter of international bankruptcy law.

MR. SOLOMON: Well, with respect, your Honor, what we've shown to Judge Mastando, and we've briefed this issue, I think what is extreme is the position that the merchants and parties are taking, that you can have a non-U.S. entity with non-U.S. assets, wholly foreign, and you can ignore non-U.S. law. There is no -- there is no law that permits that, your Honor. And our position is twofold. Our position is that no law permits it. And as a matter of international law, you have to go and respect other countries' laws.

But, second, this particular plan, and this is the reason why Judge Mastando said I'm not going to do this by motion. I need to have a full set of papers and I need to have a hearing. Because this particular plan says that the limit that it goes to is only to the extent permissible under applicable law.

In the disclosure statement that was made to all creditors, okay, it acknowledges that the debtors are incorporated in Liberia, governed by the laws of foreign jurisdictions other than the United States. And they specifically, the planned proponents, specifically undertook to

"make every effort to ensure that the confirmation order are recognized and are effective in all applicable jurisdictions." So we are not saying that this is -- that what the bankruptcy court did here is a nullity. Not at all.

In fact, what our expert in Liberian law submitted to Judge Mastando is a law that says there are a limited number of objections that one can make before -- by the way, your Honor, it's the same thing as somebody came here. There are a limited number of objections that someone can make under Chapter 15. And I believe that the -- until that is done, it is incorrect to say that Holdings doesn't exist and Holdings doesn't have the right to be represented by counsel before your Honor.

So, actually, the question is who is asking for this appeal to be shut down? It is the same party who's trying to oppose the appeal. And we believe, and we have asserted, and we intend to prove to Judge Mastando, your Honor, these are the same issues that until such time as they obtain recognition, and I don't think it's for this Court, and Judge Mastando understand it's not for him, to be deciding what is going on in Liberia. That is as a separate sovereign and they're going to do whatever they're going to do there. What this Court does as a result of that is a different question.

But where we find ourselves, where Reed Smith finds itself, is in between two separate orders. We have the bankruptcy order here, and this bankruptcy order is explicitly

subject to compliance with foreign law. And we have an order of a Greek court, which says that until such time as that happens, then this provisional board of Holdings is entitled to protect itself. It's entitled to defend itself.

And it's for that reason, that we don't think this appeal should be dismissed at all. We have -- I think there are a couple of issues of law on this appeal that I think are important for the district courts to assess. We would like to be heard on that, the idea. But it was completely prejudicial to say, no, you can't even be heard because of a misreading, a flat, explicit misreading, in the facts that the Goulston letter purports to give, your Honor, of what the plan is and why we are entitled to be heard.

THE COURT: Give me one moment.

Anything else from you Mr. Solomon?

MR. SOLOMON: Briefly. I am happy to answer any other questions.

But the comment, your Honor, that we haven't been able to respond to their letter. It made some factual statements, but that we somehow knew about the Greek order. We knew nothing about the Greek order. Reed Smith knew nothing about the Greek order. These were a minority of shareholders who went to Greece and obtained that order. And we believe it's a valid and binding order. But this order was done before the effective date of the plan. And the position that --

THE COURT: Mr. Solomon, the question I've got for you is: If I were to adopt your view, which is to do nothing on the bankruptcy appeal, under your view, at what point would I either dismiss the action or hear the action?

MR. SOLOMON: From our perspective, your Honor, I think that action should be briefed now. If your Honor wants to wait, your Honor will gain some --

THE COURT: Well, I'm certainly not going to permit briefing of the action when I've got an order from the bankruptcy court that, on its face, says that your firm is terminated in terms of the representation of Eleston Holdings.

I hear your argument that there are caveats about under applicable law, but I'm certainly not going to have the appeal briefed by Eleston, by Reed Smith.

So in the absence of that, what is your proposal?

MR. SOLOMON: That the Court wait for there to be recognition of this bankruptcy plan.

THE COURT: So what does that mean, besides what's already happened?

MR. SOLOMON: Oh, the proceeding in Liberia, we are told is measured in weeks or months, not months or years. But I'm not counsel there. This is just what Judge Mastando was told. And if, if the bankruptcy order is pending --

THE COURT: In the proceeding in Liberia, what is being asked for in Liberia?

MR. SOLOMON: That the order of the bankruptcy court that confirmed the plan of reorganization, be recognized in Liberia. And as a result of that, if it is recognized in Liberia, then the various corporate actions, which Goulston says have already been taken, and have not, would then be taken. There would be a cancellation of the shares. There would be a change of the board of directors. There would be a new management. This would affect Holdings. Doesn't at all affect Gas. But that's a separate question that I think goes to the other, to the other --

THE COURT: So aren't you in effect asking for the very stay of Judge Mastando's order that you haven't got, from this Court?

MR. SOLOMON: With due respect, Judge, I don't think so. There are plenty of times when more than one activity will affect what is going on. We -- it was not our plan. It was their plan. And their plan repeatedly says they are going to go and seek implementation in foreign jurisdictions before they can implement. And that is the matter that is before Judge Mastando.

By the way, I might say, your Honor, that since it's exactly the same issue, Judge Mastando may have views on this that your Honor will find illuminating. And that I think is measured in a much more expedited timeframe than what's happening in Liberia. Although, I understand Liberia to be

fairly expedited. But I think Judge Mastando, I didn't tell you, he has a hearing set for the 6th and the 7th to address these very issues.

THE COURT: Okay.

Let me hear from counsel in the bankruptcy, in the bankruptcy matter before me. And whether it's the Togut firm or the other firm, I'm indifferent. Whoever is the best situated to address the arguments that Mr. Solomon has made.

MR. ORTIZ: Good morning, your Honor. Again, Kyle Ortiz of Togut Segal from petitioning creditors and now reorganized holdings. I'm probably better positioned because it's my name at the end of that plan, and I'm involved in the bankruptcy proceeding.

THE COURT: Let me pull up the plan again.

MR. ORTIZ: Of course.

THE COURT: Okay.

MR. ORTIZ: Thank you, your Honor.

So I think it's important to start from the fact that you will find no Chapter 11 plan I think really ever that doesn't say at various places "where permitted by applicable law." That does not imply, by any means, that there's any applicable law that is in the way of what you're doing. You put that in to the extent that it ultimately happens.

So to the extent that we say "where permitted by applicable law" and he wants to read that as meaning we will go

seek a recognition proceeding in Liberia I think he's starting from a false premise. And I do believe this is something they created once we asked them, as we are entitled to under the plan in various places, to take a simple action of updating an address of record. And then they refused to do that, which is what necessitated an entirely unnecessary Liberian proceeding.

And I think your Honor really hit it on the head when you noted that they didn't bring a stay. And that this is all intended to kind of create issues in multiple jurisdictions and tell every court, wait for the other court, to get more time, to do other things, to potentially end up with a ruling in Greece or elsewhere that conflicts with it. Which we think is an issue.

THE COURT: Well, what is it in the plan that you say is now effective by court order that I've got to honor that gives the people who charged you with representation and discharged them the ability to file this notice of dismissal?

MR. ORTIZ: Well, your Honor, I think it's a whole number of places, and I'll go through them relatively quickly for you.

I think you start, your Honor, with Section 5.4. I want to note that there is, as you heard Mr. Solomon acknowledge, your Honor, that there is no debate that an effective date occurred. And that, 5.4 says: Except as provided in this plan, or in the confirmation order, on the

effective date, all notes, stock -- I acknowledge -- where permitted by applicable law. But that does not imply there was any applicable law.

It goes on to say a bunch of things and then it says: Shall be canceled, and the obligations of the Debtors thereunder or in any way related thereto shall be fully released, terminated, extinguished, and discharged, in each case without notice to or order of the bankruptcy court, act or action under applicable law, regulation, order, or rule, or any requirement of further action, vote, or other approval or authorization by any Person. And of course person is defined to mean really anyone that would have been on the other side.

And then, your Honor, you can turn to the next page 5.8., which says: On the effective date -- it doesn't say after recognition; it doesn't say after counsel to the former debtors believe he has sufficient proof -- that Reorganized Holdings is authorized to issue or cause to be issued the reorganized equity in accordance with the terms of this plan, which we did, your Honor, through the Rice offering, which my client spent $3.5 million to implement.

And then, your Honor, can you look at Section 5.10(c), which is on page 32. That says: The members of the governing board of each debtor prior to the effective date, in their capacities as such -- so at that point, anybody that's on the board, whether provisionally or otherwise -- shall have no

continuing obligations to Reorganized Holdings on or after the effective date and each such member will be deemed to have resigned or shall otherwise cease to be a director or manager of the applicable debtor on the effective date. Commencing on the effective date, each of the directors of Reorganized Holdings shall serve pursuant to the terms of the new corporate governance documents.

And then 5.2, your Honor, I think another very important section, specifically for this issue. 5.2(c) provides that: Except as otherwise provided in this Plan, or any agreement instrument, or other document incorporated in the plan or the plan supplement, on the effective date -- not after recognition, on the effective date -- all property in each estate, including all retained causes of action -- which would include this appeal -- and 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 shall vest in Reorganized Holdings.

It is also worth noting, your Honor that Reorganized Holdings is a defined term, which means Eleston Holdings Inc. on and after the effective date.

And then further in that same 5.2(c) it says: On and after the effective date, except as otherwise provided in this plan, Reorganized Holdings may operate its business and may use, acquire, or dispose of property and maintain, prosecute,

abandon, compromise or settle any claims, interests, or causes of action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

So, your Honor, this notion there's an effective date, that says on the effective date all these things occur, but on effective date, none of these things occur, is just completely inconsistent with how bankruptcy works. And there's a lot of concern you'll hear about complying with Liberian and Greek law. But I hear no concern with complying with U.S. law under 1141 and 1142 of the Bankruptcy Code that say a plan is binding on the debtor, the very debtor who sought the jurisdiction of this Court.

And I would note, your Honor, we negotiated things like a third interim C order with the debtors prior to the effective date that provided that we would pay them after the effective date as Reorganized Holdings. Judge Mastando later entered that order after the effective date, and they had no problem reaching out to us to ask for payment of their fees. But they seem to think the other provisions don't apply because out of delay, an attempt to create a stay, they have manufactured arguments based on boilerplate language. Which I really appreciate, your Honor, that you took counsel into the document and made him point you to specific language.

The other thing he raised that we say in the

disclosure statement that we would seek recognition is just a misstatement, that is a risk factor, that we say if the foreign company, somebody might challenge it. He took a risk factor as an invitation, your Honor, and now wants to say that was somehow a promise that we made.

So I think there are multiple --

THE COURT: Okay. I'm prepared to rule.

MR. ORTIZ: I'm sorry, your Honor.

THE COURT: I'm prepared to rule.

In the bankruptcy appeal, I'm going to grant the motion to expedite the granting of the stipulation of dismissal, and I'm going to grant the stipulation of dismissal. Because, number one, there is an order of the Court, the bankruptcy court, that has become final that I am to honor. And that order recognizes the new board of Eleston, gives the new board of Eleston, under 5.2, the ability to act on behalf of Eleston. That's under 5.10 and 5.11, and gives them, under the plan of confirmation, authority with respect to this appeal.

If the former owners of Eleston, the former directors of Eleston, want relief from those provisions of the plan, go to what is or would have been the bankruptcy court and not to me.

And, second, with respect to 7331, I'm going to lift the stay, except with respect to discovery. So that means that

motions to intervene can be made in 7331. And a motion for an injunction with respect to the foreign proceedings, if appropriate, can be made. Mr. Nesser has supported that application. There's no prejudice to any party by the partial lifting of the stay.

I'll try to put all of this in a very short order. But I believe that a transcript is being made of this. Am I correct that there's a court reporter on?

THE COURT REPORTER: Yes, Judge.

THE COURT: I'm going to direct the parties to order a copy of this transcript on an expedited basis. I have no doubt that they will do it. Otherwise, the arguments have been very helpful.

We're adjourned. Thank you all.

(Adjourned)

EXHIBIT “2”

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

April 3, 2025

10:04 AM

B E F O R E:

HON. JOHN P. MASTANDO, III

U.S. BANKRUPTCY JUDGE

ECRO: MARIA

Motion to Withdraw as Attorney /Motion of Reed Smith LLP to Withdraw Its Limited Representation of Provisional Holdings

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ALSO PRESENT:

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UDAY GORREPATI, Media

TAYLOR HARRISON, Media

MARK LICHTENSTEIN, ESQ., Eletson Holdings Inc.

DAWN L. PERSON, Reorganized Holdings

RON PIKE

ADAM SPEARS, Eletson Holdings Inc.

VINCE SULLIVAN, Media

ALEX WITTENBERG, Media

BLANKA WOLFE, Media

P R O C E E D I N G S

THE COURT: Good morning everyone. We're here on case number 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 by my colleagues Brian Shaughnessy and Bryan Kotliar.

THE COURT: Good morning.

MR. ORTIZ: Good morning.

MR. HERMAN: Good morning, Your Honor. David Herman from Dechert on behalf of the committee. I'm here with my colleague Karli Wade. Your Honor will forgive me. I hope we have a firm event today. So many of us are traveling, and at some point, if this hearing goes much longer than expected, I may get called for a flight, in which case I would leave the Court in the capable hands of Ms. Wade, who, while admitted to the bar, currently has her paperwork pending with the Southern District of New York. And I hope the Court, if necessary, will hear from her.

THE COURT: Okay. Of course. Thank you, and good morning.

MR. HERMAN: Thank you. Good morning.

MR. RUDEWICZ: Good morning, Your Honor. Daniel Rudewicz on behalf of the United States Trustee.

THE COURT: Good morning.

Would anyone else like to make an appearance?

MR. ORTIZ: Your Honor, it's Karla Ortiz. I don't know if we should be waiting for Mr. Solomon. I don't see him on the line. I do see his colleague Josh Peles. But I assume that they'll be appearing in some form because that's the only matter on for today.

MR. PELES: Yeah. Good morning, Your Honor. This is Josh Peles. I've been in touch with Mr. Solomon. They're in the waiting room and haven't been let in yet.

THE COURT: Okay. We'll see if we can get that resolved.

(Pause)

THE COURT: Okay. Would anyone else like to make an appearance? I think we might have gotten that resolved.

MR. SOLOMON: Good morning, Your Honor. It's Lou Solomon for Reed Smith, with apologies for being late. We were on time. Just could not get in. I do apologize.

THE COURT: No problem. Good morning.

MR. SOLOMON: Good morning.

THE COURT: I think everyone else has appeared. So who would like to begin?

MR. SOLOMON: If the issue on the agenda, Your Honor, is Reed Smith's motion to withdraw, I would like to begin. Lou Solomon for Reed Smith. I will be brief. We've both briefed the issue with an opening brief and tried to be as

comprehensive as we could in the reply to give Your Honor what our position was. Reed Smith did file two docket entries with Your Honor under 1.4(c)(3) of the local rules that we were making a limited appearance.

The purposes for which we made that appearance, I think, have been completed in this court. There is no basis for any assertion that because we are withdrawing in this court, we can't appear in any other court, including in connection with the appeals from various orders of Your Honor. I think it is appropriate for us to be able to do that, and I don't see any reason for us to continue here, when, and this is the alternative part of our motion, even if we needed to make a formal motion to withdraw, we have. And we think that Your Honor should grant it.

It is Reorganized Holdings who has said repeatedly for months that we shouldn't be here as they told, Your Honor, they've been opposing Reed Smith's purported representation of Holdings, Provisional Holdings and other company entities for months. They've even accused us and me of acting unprofessionally, which we disagree with completely. But as a result of that, we think it is appropriate for us to make even clearer the role that we are playing here.

I hope that will mean that we will be able to limit the appearances from Reed Smith. I don't think we will be able to eliminate it completely since, as Your Honor saw just

yesterday, Your Honor received another fable, another myth from Levona directed at us on a motion that we are going to ask for a chance to respond to. But there is obviously some confusion for Reorganized Holdings to both claim that we're acting unethically by appearing for Provisional Holdings but objecting to our seeking to withdraw from representing Provisional Holdings is the sort of bad faith that should not be -- should not be tolerated.

Confusingly, they continue to then say, well, since we can't be representing Provisional Holdings, although if we're not, we should be allowed to withdraw, we must be representing some of the individuals. We are not and never have and are not seeking to withdraw from representing them, nor can Reed Smith be used as a mail drop to serve individuals because we don't and have not represent them. We put in our brief why we think there is no basis for discovery here and no basis for any conditions.

I'm happy to answer any questions, but otherwise, we think this is a straightforward motion. Thank you, Your Honor.

THE COURT: Thank you.

Let me hear from the others.

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz of Siegel and Siegel for Eletson Holdings. Look, I think the kind of crux of it is, if Reed Smith's true clients want to accept outcomes, stop obstructing implementation, cooperate with the

plan, and Reed Smith wants to stop acting as Judge Liman held as an impostor in the appellate courts, then they can withdraw. But if they want to claim as they have, and as they continue to do, they are the true debtor entity, they should not be able to withdraw without replacement counsel.

And just a little history, which is probably unnecessary. But as we all know, Your Honor, the plan provided for Reed Smith to be terminated on the effective date, November 19th. And they were. They've agreed with that. They filed a final fee application based on that reality.

But they're the ones who then decided two days later to accept a new engagement from a collection of individuals that the plan specifically provided at section 510(c) were deemed to have resigned and otherwise ceased to be directors on the effective date. Reed Smith just now claims that that engagement was for a limited scope, but they have not acted in a limited scope. And to accept an engagement against the interest of their former client from a collection of individuals, who, again, were deemed by the plan to no longer have any role, and then, together with them, claim that they're still the debtor entity and that they're still their counsel is itself interfering with the plan and the confirmation order.

So the fact that in this refusal to accept outcomes, they created this. And I don't know. Let's call it a zombie entity today. And that we all struggled with what to call such

a zombie entity doesn't give it any legal force, no matter how much selective quoting he wants to do. And I agree with him. It is confusing, but they created that confusion. And as Judge Liman has recognized, whether limited or not, it's an engagement to, in essence, represent the family against the interest of Reed Smith's former client, the real court-approved Eletson Holdings.

So I don't know what he hopes to accomplish by continuing to argue in the reply that there's two Eletsons when you, together with Judge Liman, have already rejected that argument ten times, and that's not an exaggeration. Ten times.

And I'd also point out, Your Honor, in the reply, they continue to point to footnote 1, which is the caption in the proposed January 29th order that we've been over so many times. Was part of the case caption, which we were just waiting on the entry to be able to update, and certainly didn't recognize that there is a magical mystery entity in Greece.

I also think it's important to note that by arguing what we've argued, we aren't depriving people of appellate rights. Eletson Holdings Inc. had and has an appellate right to appeal the confirmation decision and confirmation order. It still has the right today, but it has new owners who do not wish to pursue those rights. As I think we've been over many, many times, if they wanted to avoid that outcome, they needed to seek a stay of the confirmation order. And as we all know,

they did not.

They instead invented out of thin air claims of criminal liability for updating the AOR or hoping they could bully us from declaring an effective date. And by the way, Your Honor, just a quick update on that, the old owner's efforts to get a writ to reverse the AOR from being updated was denied in Liberia last week, which is presumably why they're now resorting in pleadings they filed as recently as last night in the Second Circuit to calling their clients Eletson Greece, the shell game has moved on from Liberia.

With regard to other appeals, of which there are many, they, and when I say "they", I mean the individuals pretending to be the zombie board, despite the plan providing in no uncertain terms that they were deemed to have resigned and who have been sanctioned, those individuals in my mind do have appellate rights. And if he wants to admit that those are his real clients and file appeals on their behalf, he can. But if he wants to file appeals as Eletson Holdings Inc., as Your Honor held in your denial of their stay pending appeal on March 6th and as Judge Liman held on February 14th, they have no standing and are impostors.

And he, of course, will claim that that is all wrong and that he still represents the real debtor, which again, they're not calling Eletson Greece. But okay, then. That entity needs counsel. You need to file additional fee

applications so the world knows where the money's coming from. And you probably have an impossible disinterestedness problem. It seems that he, despite claiming that I'm always the one that wants to have the cake and eat it too, is the one doing so.

So to us, I think this is simple, Your Honor. And I know judges don't like when we say things say things are simple, but I think this is relatively straightforward. They can acknowledge the reality, stop the obstruction, help implement the plan, and Reed Smith and the people whose interests they have guarded all along can be free of the Court's jurisdiction. But as long as they want to play these games and continue to promote the fiction that they represent, the real Eletson Holdings, and he filed papers in the Second Circuit this week as counsel to Eletson Holdings Inc., the debtor in this case, they can't be here and not be here.

And it doesn't have to be Reed Smith. They can appoint replacement counsel. In fact, they should probably be disqualified everywhere because they have this extraordinary conflict because they're going against their former client. But the zombie entity should not be permitted to pretend that they're the real Eletson Holdings in every court except this one, the one that the plan and the confirmation order explicitly preserves jurisdiction over these parties to ensure, among other things, full implementation of the plan in an effort to dodge service of motions to seek to implement the

plan. It is entirely absurd, Your Honor, to say that they can represent Eletson Holdings Inc. in every case except In re: Eletson Holdings Inc., case number 23-10322-jpm.

Respectfully, you should deny the withdrawal until such time as replacement counsel is identified or Reed Smith's client's end this global campaign to disrupt and contest implementation of the plan and accept the results. And I have to note, Your Honor, because there is always a game, if you make such a ruling, it should be clear in doing so that the denial of withdrawal should not be used as evidence to other courts, that this zombie entity exists in a fashion that gives it any legal import, other than that the people holding themselves out as such are covered by this plan's ongoing jurisdiction to interpret and implement the plan.

Unless you have any questions, Your Honor, that's all I have for today.

THE COURT: Thank you.

MR. ORTIZ: Thank you.

THE COURT: Did anyone else wish to be heard?

MR. HERMAN: Your Honor, David Herman for the committee. Can I be heard briefly?

THE COURT: Please.

MR. HERMAN: Thank you, Your Honor. Just two points that I want to emphasize from what Mr. Ortiz stated.

From the committee's perspective, number one, it's

very important that Reed Smith be not permitted to withdraw until there is replacement counsel in place. As we've seen over the last several weeks and months, it's important that the Court maintain jurisdiction over individuals or purported entities that are not complying with the Court's orders and are subject to sanction.

And second, that doing so does not in any way excuse Reed Smith or the provisional board or the individuals whose interests they're seeking to protect from any ethical responsibilities or from this Court's orders and any tensions that have been created between the need to remain subject to the Court's jurisdiction, on the one hand, and need to comply with ethical obligations to former clients on the others are problems that are of their own creation.

And so for that reason, Your Honor, we agree with Holdings that Your Honor should deny the motion until such time as replacement counsel is in place.

THE COURT: Thank you.

Did anyone else wish to be heard before I turn it back to Mr. Solomon?

MR. SOLOMON: Thank you, Your Honor. Lou Solomon. I will be brief.

It doesn't matter how they misstated. We do not represent a collection of individuals and have never done so. Mr. Ortiz is right. He and I are never going to agree on who

is playing the games here. And so I think we can probably pass that.

They have accused Reed Smith of acting unethically. Expressly said that. It's three places. Two in the transcript and one in a letter. We cited those to Your Honor. For representing the entity Provisional Holdings. It is an entity. In no place in our reply brief did we say there are two Eletsons. There are not two Eletsons.

So they say that Reed Smith is acting unethically for representing this entity, and so we, without actually thinking we need to actually make the motion, have made the motion. We don't need to make the motion because under 1.4, we had a limited appearance, and it is over. With respect this Court does not --

THE COURT: Well, the matters that you've appeared on are still ongoing, and you're continuing to represent Provisional Holdings, right?

MR. SOLOMON: You mean on appeal, Your Honor?

THE COURT: Well, the various matters that that were listed.

MR. SOLOMON: I'm not aware of any respect in which any of those matters is still in this court. We, in candor, tell the Court that we feel that we not only may but must act on behalf of the party instructing us on appeal, but with respect, I don't believe that Your Honor has --

THE COURT: Well, whether or not there specifically before the Court right now, they could end up back before this Court.

MR. SOLOMON: At that point in time, Your Honor, then if they wind up back before this Court, then I think then every corporation is going to need to have counsel. That's not the case.

THE COURT: But why would they need different counsel than they have now?

MR. SOLOMON: Because we've been accused of unethical behavior.

THE COURT: No, that's not the point I'm --

MR. SOLOMON: And we're done --

THE COURT: That's not the point I'm asking. I'm asking the point that are in certain of the matters you're representing them in matters that could end up back before this Court. And then you're saying you would not be representing them then in those matters before the Court?

MR. SOLOMON: No. Well, what I'm saying is we haven't been -- we haven't been asked or instructed to represent them in connection with those. I think, to the extent that they -- not exactly sure what matters Your Honor is referring to there are some matters that are on appeal. And I don't believe Your Honor has jurisdiction to decline to allow us to withdraw because we are representing a client in another matter.

THE COURT: That's not what I'm saying, but I'm just asking you. I'm not saying none of them are before me, but all I'm saying is there are appeals related to things -- and this is just one of the issues. Right. There are appeals related to matters that were before this Court and could end up back before this Court.

MR. SOLOMON: We are representing Provisional Holdings in matters that were before this Court and I think in which Your Honor said the Provisional Holdings doesn't exist. And so we don't have a client before this Court. We are appealing that ruling, among others. And I think the -- I think this client has a right to do that without our being tied to a case where all that's happening is that we get accused repeatedly, without any protection, of representing individuals when we don't. Of masterminding plans around the world, which we're not.

THE COURT: Well, those are all -- those are all separate issues. But another issue is that your client purports to be or could be purporting to be the debtor in this case, as counsel has indicated. When the board was appointed, the purported provisional board was appointed as the purported provisional board of the debtor in this case.

MR. SOLOMON: We agree that there is -- we agree that there is one Holdings. We agree that the bankruptcy here in the United States is not finally consummated. A court in

Greece I think yesterday or two days ago reaffirmed that, in Greece, this is Reorganized Holdings has does has no right to control the company. That was just reaffirmed. So there are proceedings --

THE COURT: That's not what I'm talking about, but that perhaps furthers what I'm saying. What I'm saying is the purported provisional board that was appointed was appointed as the purported provisional board of the debtor that's before this Court, and that's who you are purporting to represent.

MR. SOLOMON: We're not representing them before Your Honor and have not.

THE COURT: Well, that begs the question because if they're the purported provisional board of the debtor before this Court, then you're representing them.

MR. SOLOMON: Well, but with respect, Your Honor, you could grab almost any law firm you wanted and say that of that law firm, and maybe that's probably a bad analogy this week to be grabbing law firms for no reason. When we were terminated on behalf of the debtor, we accepted a representation for a limited purpose that involved defending Reed Smith in matters that were before Your Honor and taking appeals. And we continue to represent Reed Smith. And I take Your Honor's point that conceivably, conceivably, those matters might come back before Your Honor.

You know what, Your Honor? I kind of need to reflect

on that. I don't think that's a ground to force us to stay in a case where we're being accused --

THE COURT: Well, it's not necessarily forcing you -- it's not necessarily forcing you to stay. I guess one issue is what's the purported goal or effect of the withdrawal? So for instance, if you are representing the purported provisional board or purported Provisional Holdings as the potential purported debtor in this case and someone serves a motion, perhaps you won't represent them in connection with that motion, but then someone else would have to. But that doesn't mean that service wouldn't be effective, for instance.

MR. SOLOMON: It would mean that, Your Honor. We do not --

THE COURT: Well, I disagree, but that --

MR. SOLOMON: Oh, no. I'm sorry. I'm sorry.

THE COURT: I'm just raising it as an issue. Right, right, right.

MR. SOLOMON: If Your Honor were to -- I wasn't taking --

THE COURT: I understand that's your position.

MR. SOLOMON: Okay. The goal here need not be anything more complicated than we are accused every time we get on with Your Honor of not being able to speak and not being allowed to speak and acting unethically because we're representing Provisional Holdings. And so we are saying, okay.

THE COURT: Those are separate issues, though. Those are separate issues.

MR. SOLOMON: Well, but they're not irrelevant.

THE COURT: But you are -- but you are going to continue to represent them, regardless of my ruling. I mean, you said that in your papers.

MR. SOLOMON: That we are going to continue to represent them? No, Your Honor, we would not represent them.

THE COURT: Yes. You are continuing to represent them. You're just saying it's not before me, technically. But you are continuing to represent them.

MR. SOLOMON: Well, I believe this client has the right and we have the obligation to represent them. If you mean on appeal in other courts --

THE COURT: I mean in whatever matters you are representing them in. And I think there was a statement about other matters as directed by the client, et cetera.

MR. SOLOMON: No, Your Honor.

THE COURT: Right. Right. In other words, you are not just --

MR. SOLOMON: No, Your Honor. no. No.

THE COURT: Well, in other words, you are not just completely withdrawing from all representation of purported Provisional Holdings, the purported provisional board, or whatever other entity you want to call it.

MR. SOLOMON: We are not representing the board and have never represented the board. And so with respect, I don't think that would be accurate to say. We are asking to withdraw from representation of Provisional Holdings in this Court. And we looked for cases. They cited none. I'm not aware of any whereby we cannot withdraw from the representation of a client before this Court because we are representing that client in other matters. I'm not aware of any.

THE COURT: Well, there are a couple of nuances to that. One is that there are matters that are appeals related to this court, as I said, that could end up back before this Court. But the other is, well, obviously, you represented the debtor in this case for several years. And now, the entity or entities, whether it's the board or the purported provisional entity, is purporting to be the debtor in this case, as I said. So service upon Reed Smith, service upon Daniolos, or perhaps just the service upon the entity because it's purporting to be the debtor.

MR. SOLOMON: Well, if Your Honor grants our motion or we're permitted to withdraw because we had a limited representation, and then somebody serves Reed Smith, Your Honor can then decide whether that's proper service under the circumstances. But that is not before us now.

THE COURT: Well, if the purported entity, purported Provisional Holdings, or the purported provisional board were

in fact the debtor, who would be representing it?

MR. SOLOMON: Before Your Honor, I do not know.

THE COURT: Well, it needs representation, right, as a debtor? That's the position.

MR. SOLOMON: No, I -- if the (indiscernible) very --

THE COURT: Sorry. There's a little bit of an echo. Someone needs to mute their line.

MR. SOLOMON: I'm not sure. I'm trying to answer the --

THE COURT: All right. It might seem better.

MR. SOLOMON: Seems quite complicated for Reed Smith. You may not represent this party and you're acting unethically in doing so and you must withdraw. Okay. We'll withdraw. No, no, no, you can't withdraw. Wait, wait. But I don't think both of those two things can be true. And I'm not sure what you would be -- what Your Honor would be asking the law firm to do.

THE COURT: Well, one issue, again, is you're not fully withdrawing, number one. And number two is the entity that you're representing is purporting to be the debtor before this Court. So those are -- again, if you were just completely withdrawing and not going to be involved in anything, that might be different, in this or the appeals or other matters related to this matter. That might be one thing. And if the entity that you represent was not purporting to be the debtor,

that might be different as well. So those are just complicating factors.

MR. SOLOMON: I've tried to answer Your Honor's question, and with respect, I don't find a case and do not think Your Honor has proper authority with respect to other places where this client has asked us to represent them. But I hear what Your Honor is saying, and we can, if Your Honor wishes, go try to find some other authority on that. We did look.

THE COURT: Do you have authority where someone -- well, where matters are continuing related to the same matters, putting aside the other issues that the parties have raised because there are other issues, but matters are continuing related to the same matters. But on top of that, the purported entity is purporting to be the debtor in the case. Have you found any situations like that?

MR. SOLOMON: Not that I can recall, Your Honor. I don't recall --

THE COURT: Okay.

MR. SOLOMON: -- I don't recall issues concerning the debtor in a bankruptcy at all. We found a number of cases, we can share them with Your Honor, that permitted counsel to withdraw and continue to represent a -- that the withdrawal was not global and so that the firm had to then say, we won't represent this client in any case forever in the future. I

don't think that's -- I don't think that's the law. But much of what we're discerning comes from the Rules and how the -- and how the Rules are stated. So thank you, Your Honor, for your time.

THE COURT: I agree. Is any of the payment or any of the payments coming in any way from anything that could be considered part of the estates?

MR. SOLOMON: No, Your Honor.

THE COURT: Okay.

MR. SOLOMON: Payment. Forgive me, Your Honor.

THE COURT: Well, to the extent there have been any.

MR. SOLOMON: Right. Payments, I just, they haven't --

THE COURT: In the work that's been done on behalf of purported Provisional Holdings, purported board, or the newer entity that Mr. Ortiz was describing.

MR. SOLOMON: No amounts have been charged to and no amounts have been paid by the estate. But I don't really want to --

THE COURT: No, that's not what I asked. I asked are any amounts potentially coming from any assets that could be considered part of the estates?

MR. SOLOMON: No, not to my knowledge, Your Honor, and not to my understanding.

THE COURT: Okay.

MR. SOLOMON: But again, I want to be candid with the Court that Your Honor received a letter yesterday, which I think is fantasy and a suggestion that Gas is somehow part of the estate. I do not believe that is true. But it has been a sufficiently long time since we've since we've actually had payments that I would need to go back and check. But we've obviously been careful. We have been careful.

THE COURT: Sure.

MR. SOLOMON: I think our client has been careful not to use assets of the estate.

THE COURT: Okay.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Thank you.

Did anyone else wish to be heard?

MR. ORTIZ: Your Honor, with the risk of prolonging this, I think I can keep it to under a minute, if it's all to respond to a couple things.

THE COURT: Please.

MR. ORTIZ: Kyle Ortiz of Togut, Segal & Segal for Eletson Holdings.

I just wanted to note you said today that there are not two Eletsons, but you literally filed a pleading last night in the Second Circuit saying his client is Eletson Greece, which is not Reorganized Holdings. It sounds like two to me.

I also think there is more than just the appeals. His

clients, whatever that means, are subject to ongoing sanctions. That's continuing at some point. Those lead to us coming back to get a judgment on those sanctions so that we can go places and try to enforce the monetary sanctions. So I don't think those have been fully resolved. I think those are ongoing matters.

I think Your Honor hit on a key point. Let's say, and I'll question my life if we end up in this scenario, but let's say he wins every appeal and we're back here and they're the debtors. They don't have counsel. They didn't file fee apps. Like, this just doesn't make sense. You can't acknowledge an effective date, file final fee app, and then say we're still the debtor otherwise. I think all cases -- he can't find a case. I think all cases say you can't leave a corporate entity unrepresented. That's literally every case that we pointed to.

And really, the root of the problem, all of this, is of their own making. The fact that they have both an ethical problem and other issues is because they decided to take on a new engagement with this -- what was today's term -- zombie entity. And in doing so, you create something where you're claiming to still be the debtor, which puts you here, but also have ethical issues because you're going against what the Court and other courts recognize as the real entity. So that, I think, is the issue.

On the last part about fees, I'm sure at some point

there'll be discovery on that. What he thinks the estate and what we think of the estate are probably different things. So we'll see on that. But I don't think that's for today.

THE COURT: Thank you, Counsel.

MR. ORTIZ: Thank you, Your Honor.

THE COURT: Did anyone else wish to be heard?

Mr. Solomon, if there are any additional cases you'd like to cite or bring to the Court's attention, if you could do that, maybe in a short letter in the next couple of days, and I'll give the others a chance to respond if needed. But I'd be happy to see any other authorities that you'd like to refer to.

MR. SOLOMON: Thank you, Your Honor. Thank you, Your Honor. And we are going to ask -- well, I now would like to ask for leave to be able to respond to the unauthorized document that Your Honor got yesterday from Levona, which I need to follow up on the facts. But I tell you, on the face of the letter, it is, I think, absurdly incorrect.

THE COURT: Yes, you can file a response.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Okay. What else for today?

Okay. The Court will take the motion under advisement and look for any subsequent filings the parties want to make. And the Court will take the matter under advisement, and we will go from there.

MR. SOLOMON: Thank you very much, Your Honor.

THE COURT: Thank you, everyone. We're adjourned. Have a great day. Thank you.

(Whereupon these proceedings were concluded at 10:37 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)
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Date: April 4, 2025

EXHIBIT “3”

No. 25-445

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Eletson Holdings Inc., Eletson Corporation, *Petitioners-Appellees*,

v.

Levona Holdings Ltd., *Respondent - Appellee*,

v.

Reed Smith LLP, *Interested-Party-Appellant*.

On Appeal from the United States District Court for the Southern District of New York (Liman, J.), No. 1:23-cv-7331

REED SMITH'S OPPOSITION TO PETITIONERS-APPELLEES' MOTION TO DISMISS

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PRELIMINARY STATEMENT

The instant motion presents a narrow but highly important question. The international law firm Reed Smith LLP was ordered to turn over a client file to its client's adversary. Reed Smith has taken an appeal to this Court. The adversary now seeks to dismiss the appeal on the ground that the order is not "final" for purposes of appellate jurisdiction, although it would conclusively transfer ownership of the client file; and that Reed Smith does not have standing to appeal an order directed to it by name. Neither of these arguments is persuasive. They would render the turnover order effectively unreviewable, setting an alarming precedent concerning the duties of a law firm to its client.

The larger background of the case is complex and significant. The Eletson group of companies are involved in international shipping, with their central operations in Greece. They have no business or assets in the United States. One of the Eletson companies previously represented by Reed Smith, Eletson Holdings, was subjected to involuntary bankruptcy proceedings in the United States, subsequently converted to Chapter 11. All creditors, debtors, and the U.S. Bankruptcy Court understood that foreign proceedings would be necessary to effectuate the reorganization commenced in this country. The U.S. Bankruptcy Plan and Order repeatedly expressed the need for compliance with applicable foreign law. The creditors explicitly undertook to secure foreign recognition, and the Plan specifically

conditioned effectiveness of the U.S. Plan on securing it. Nevertheless, once the Plan was confirmed only in the United States, the new would-be owners of Eletson dispensed with foreign recognition proceedings, and the district court approved the confirmation by stipulation, never having considered questions of foreign law or international comity. That decision is the subject of a separate appeal to this Court, to be heard in tandem with this appeal.

Before the bankruptcy, Eletson Holdings was involved in an arbitration in New York City against an alter ego of the controlling creditor, Levona Holdings Ltd. After more than a year and a half of what Congress intended to be a summary and expedited arbitration-confirmation proceeding, the district court ruled that Reed Smith's clients no longer had any right to pursue that proceeding based on its erroneous view that Holdings had new management in the United States. The court consequently displaced Reed Smith as counsel for Eletson Holdings and ordered Reed Smith to bring into the jurisdiction and hand over all its privileged arbitration files. The court also literally extinguished, without notice or due process, a valid $2 million lien that Reed Smith had for payment of attorneys' fees.

The asserted grounds for dismissing this appeal are wrong. The Turnover Order is appealable on multiple grounds, both as a final judgment and a mandatory injunction. Reed Smith has standing to appeal as the party formally ordered to turn over the file. Both issues are better addressed by the merits panel after plenary

briefing and oral argument. An order that would potentially moot two different appeals should not be dismissed on motion.

RELEVANT BACKGROUND

A. Relevant Parties

Eletson Holdings ("Holdings") and Eletson Corp ("Corp") are Liberian entities with their center of main interest in Greece. Reed Smith has represented Eletson entities in (1) Holdings' and Corp's petition to confirm an arbitration award under the New York Convention (the "Convention Proceeding"); and (2) the bankruptcy case.

Levona Holdings Ltd. is the respondent in the Convention Proceeding. Pach Shemen LLC is the controlling petitioning creditor in Holdings' bankruptcy case, where a bankruptcy plan has been confirmed that would make Pach Shemen the 99% shareholder of Holdings. *Id.* Levona and Pach Shemen are "alter egos" of each other, with "identical corporate ownership and management." Dkt. 47-5 at 22.[1] Both entities are controlled by a company called Murchinson Ltd. *Id.* at 7–8. Pach Shemen's counsel now also represents Reorganized Holdings, Bankr.Dkt. 1; Dkt.

[1] Citations to "Dkt." are to docket entries in the New York Convention litigation before the district court, Case No. 1:23-cv-7331 (S.D.N.Y). Citations to "Bankr.Dkt." are to docket entries in the bankruptcy proceeding, Case No. 23-10322 (Bankr. S.D.N.Y).

210, and Levona's alter ego, Pach Shemen, is paying the fees of Reorganized Holdings, Levona's "adversary" in this case, Dkt. 251-10 ¶¶ 1, 8.

One of the central questions in this appeal—and the related appeal to be heard in tandem—is who owns and controls Holdings at this time and whether accommodation should have been made for the foreign bankruptcy proceedings to finalize the restructuring. For clarity's sake, this brief will refer to the party Goulston & Storrs represents as "Reorganized Holdings," and the party Reed Smith represents as "Holdings (Greece)" (a/k/a Provisional Holdings). But to be clear, there is only one Holdings entity, with competing boards appointed by different sovereigns.

Holdings (Greece) filed the arbitration and the Convention Proceeding and is now directed by the Board of Directors provisionally appointed by a Greek Court on November 12, 2024 (*see* Section C, *infra*). Reed Smith represents only Holdings (Greece).

B. The JAMS Arbitration and Arbitration Confirmation

In July 2022, Holdings and Corp initiated a JAMS arbitration against Levona for breach of the parties' LLC Agreement for Eletson Gas LLC ("Gas"). After an adversarial hearing, the JAMS tribunal—Hon. Ariel E. Belen (Ret.)—issued a Final Award finding that Levona's preferred shares in Gas had in 2022 transferred to entities called "Preferred Nominees." Dkt. 47-5 at 95–96. Arbitrator Belen determined that Murchinson, acting on behalf of Levona and Pach Shemen, had paid bribes to

an officer of Gas and conspired with third parties to the serious detriment of the Company. *Id.* at 69. He awarded more than $85 million in compensatory and punitive damages to Gas and its Preferred Nominees, and awarded fees to Corp. *Id.* at 99, 100. The district court confirmed the award against Levona, but vacated the relief as to Murchinson and Pach Shemen as well as some fees. Dkt. 83 at 123–24.

In June 2024, long after the statutory deadline, Levona sought to file an amended answer retroactively to allege fraud as a basis to vacate the Final Award. Dkt. 123–25, Dkt. 136–38 (amended). The district court granted the motion. Levona sought a stay of discovery (Dkt. 202), which was granted and remained in effect until March 25, 2025. Dkts. 205, 207, 218, 221, 297.

C. The Bankruptcy Case and Greek Proceedings

On March 7, 2023, shortly before the arbitration merits hearing, petitioning creditors led by Pach Shemen filed a Chapter 7 bankruptcy petition against Holdings. Bankr.Dkt. 1. A few months later, Holdings stipulated to a Chapter 11 conversion. Bankr.Dkt. 204. The bankruptcy affected Holdings only; Gas and Corp were not debtors in those proceedings.

In July 2024, the petitioning creditors offered a bankruptcy plan (the "Plan") that explicitly required them to comply with non-U.S. law to effectuate the reorganization of Holdings. Bankr.Dkt. 846 §§ 5.2(b), 5.4 (cancelling stock), V.5.1, V.5.9, IX.9.1, XI.11.2, XI.11.3. The petitioning creditors' disclosure statement reiterated

that 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 the Plan are recognized and are effective in all applicable jurisdictions." It also noted the risk that "a foreign court may refuse to recognize the effect of the Confirmation Order." Bankr.Dkt. 847 § VIII.A.3.

Despite those representations, the petitioning creditors (including Pach Shemen) unilaterally waived those conditions and declared the Plan effective, thus purporting to change shareholders and management in the United States without complying with foreign "applicable law." Bankr.Dkt. 1258. Before the Plan went effective, Holdings specifically objected to ignoring foreign recognition requirements. *E.g.*, Bankr.Dkt. 1241 at 1–2; Bankr.Dkt. 1254 at 11:10–18.

On November 12, 2024, minority shareholders of Holdings applied to the Court of First Instance in Piraeus, Greece to appoint provisional management. Dkt. 251-1. That court appointed a provisional board for Holdings with a mandate to attend to the company's urgent business. *Id.* To be clear, the Greek order did not result in the creation of a new entity; rather, it ensured that Holdings could continue to function. On February 5, 2025, a three-judge panel of the Court of First Instance in Athens provisionally declined to recognize the reorganization of Holdings and determined that the provisional board appointed by the Piraeus Court continues to control Holdings. *Id.* Dkt. 264 ¶¶ 11–12, Dkt. 264-1. It also held that the

"reorganized" entity that Goulston claims to represent lacks authority to manage Holdings. *Id.*

Reed Smith, on behalf of Holdings, appealed the Confirmation Order to the district court on November 7, 2024. Bankr.Dkt. 1233. Thereafter, Goulston appeared in the district court, asserting that it represented Holdings, and filed a "stipulation" to dismiss the bankruptcy appeal. S.D.N.Y. 24-cv-8672, Dkt. 9, 13. Without allowing Holdings (Greece) to make a submission, the district court purported to dismiss the appeal based on the stipulation. *Id.* Dkt. 19, 20. This Court, however, docketed the appeal.

D. The Turnover Order

On January 7, 2025, with discovery stayed, Goulston filed a motion against Reed Smith, and only Reed Smith, for an order displacing Reed Smith as counsel for Holdings and Corp and requiring that Reed Smith turn over its Holdings and Corp client files. Dkt. 242–46. Reed Smith opposed, arguing that the turnover motion had no place in the Convention Proceeding, and challenging Article III jurisdiction given that all parties to the case were now controlled by the same parties and thus lacked adversariness, and on the basis that Reed Smith held a retaining lien on the client file. Dkt. 251–52; Bankr.Dkt. 1325 at 4 n.2 & 6 n.9. Reed Smith did not seek payment of any fees owed by Corp from the bankruptcy estate. Reed Smith's final fee application made clear that all amounts relating to Corp on the invoices

were submitted solely "for review" and "not in connection" with the bankruptcy, and that such fees were "the sole and exclusive obligation of Corp." Dkt. 278-1 ¶ 14 & 20–22.

The district court granted the turnover motion. It ordered Reed Smith displaced and set deadlines (since then temporarily stayed) to turn over the files, including all privileged correspondence between Holdings/Corp and Reed Smith relating to the arbitration. Dkt. 270, 2/14/25 Tr. at 107:1–23, 119:21–120:5; Dkt. 269 (both attached to 25-445 Dkt. 20). Moreover, the district court held that the Plan had "extinguished" Reed Smith's $2 million retaining lien against Corp. 2/14/25 Tr. 114:25–115:8.

Reed Smith appealed the Turnover Order on February 24, 2025. Dkt. 272. Reed Smith sought an emergency stay from the district court and then from this Court, which remains pending. The district court granted a temporary stay while this Court considers the motion. Dkt. 295; CA 25-445 Dkt. 20.

ARGUMENT

I. THIS COURT HAS APPELLATE JURISDICTION TO REVIEW THE DISTRICT COURT'S TURNOVER ORDER.

Reorganized Holdings casts the Turnover Order as an interlocutory, non-appealable discovery ruling. Mot. 10–16. The district court adopted the same position in denying Reed Smith's motion for a stay pending appeal, except to the extent the order implicates Reed Smith's retaining lien against Corp. Dkt. 295 at 8–12. Their

logic is deeply flawed. The Turnover Order conclusively disposes of claims to *property*, not *evidence*, and it is settled that such dispositions are final and immediately appealable. Even were it interlocutory, the Turnover Order is an appealable injunction.

A. The Turnover Order is Final and Appealable.

This Court has appellate jurisdiction under 28 U.S.C. § 1291 because the Turnover Order is final in multiple ways. Contrary to Appellees, Reed Smith did not remotely "concede[]" otherwise. Mot. 10.[2]

First, as this Court has explained, orders requiring transfers of property "have long been treated as final and appealable" because they "dispose of claims to that property." *Levinson v. Kuwait Fin. House (Malaysia) Berhad*, 44 F.4th 91, 96 (2d Cir. 2022) (citation omitted); *see also Jiao v. Xu*, 28 F.4th 591, 596 (5th Cir. 2022) (turnover of membership interest in an LLC); *CFTC v. Topworth Int'l, Ltd.*, 205 F.3d 1107, 1111 (9th Cir. 1999) (turnover of receivership assets). The absence of a judgment evidencing such a disposition does "not establish a lack of finality" precluding immediate review. *See Levinson*, 44 F.4th at 96.

[2] Evidently, Reorganized Holdings bases that view on a single document—Reed Smith's Pre-Argument Statement (Form C), where it checked a box for "Interlocutory Decision Appealable as of Right." Doc. 15. That was not a binding election, nor did it waive any other possible basis for jurisdiction, which can be raised at any time. *In re Terrorist Attacks on Sept. 11, 2001*, 117 F.4th 13, 20 (2d Cir. 2024) (addressing jurisdiction under § 1291, despite Pre-Argument Statement mentioning only jurisdiction under the collateral-order doctrine).

By requiring Reed Smith to deliver its Holdings (Greece) and Corp client files to the new owners and principals of Reorganized Holdings—who are not and have never been Reed Smith clients—the Turnover Order finally disposes of any claims to that property. That includes competing claims of ownership between Reorganized Holdings, which the court below incorrectly described as Reed Smith's former client, and Holdings (Greece) and Corp, Reed Smith's actual clients. It also includes the retaining lien asserted by Reed Smith against Corp for unpaid fees, which the court below (erroneously) found discharged by the Plan. Under settled case law, that disposition is plainly final and appealable.

Second, the Turnover Order is appealable under the collateral-order doctrine. An order is treated as final under that doctrine if it (i) conclusively determines the disputed issue; (ii) resolves an important issue completely separate from the merits of the action; and (iii) would be effectively unreviewable on appeal from a final judgment. *EM Ltd. v. Banco Cent. de law República Arg.*, 800 F.3d 78, 87 (2d Cir. 2015). The Turnover Order satisfies all three criteria. It conclusively determined ownership of Reed Smith's Holdings (Greece) and Corp client files, an issue completely separate from the merits of the underlying proceedings involving an arbitration award. That determination will be effectively unreviewable at the end of the case because, in the interim, Holdings (Greece)'s and Corp's adversary, Levona, will have access to their privileged documents via its identical corporate ownership and

management with Reorganized Holdings—a fact Reorganized Holdings does not contest. The confidentiality of those privileged documents therefore will be lost forever if opposing counsel reviews them, even if Reorganized Holdings' claim to the files is later rejected. *Chase Manhattan Bank, N.A. v. Turner & Newall, PLC*, 964 F.2d 159, 165 (2d Cir. 1992). The conclusive disposition of property subject to a retaining lien by Reed Smith is likewise separable and unreviewable. *See Pomerantz v. Schandler*, 704 F.2d 681, 682 (2d Cir. 1983).

The district court agreed that the collateral-order doctrine applies to the extent it implicates Reed Smith's retaining lien. It disagreed, though, to the extent the doctrine requires disclosure of privileged documents. Dkt. 295 at 11. Citing *Mohawk Industries, Inc. v. Carpenter*, 558 U.S. 100 (2009), the court reasoned that the order below is merely an interlocutory discovery ruling that can be remedied, if erroneous, through a post-judgment appeal. Dkt. 295 at 9–10, 11. Reorganized Holdings likewise characterizes the order as an "evidentiary ruling" akin to the order in *Mohawk Industries*. Mot. 13.

But the Turnover order plainly has nothing to do with discovery. It was entered while discovery was stayed and lacks any of the protections that might normally have obtained in a discovery demand. The file is not being sought as "evidence" of anything. "It is, more precisely, . . . about documents as property" because any "interest in the subject files is a property right." *Matter of Sage Realty Corp. v.*

Proskauer Rose Goetz & Mendelson LLP, 294 A.D.2d 190, 191 (1st Dep't 2002); *see also First Wis. Mortg. Tr. v. First Wis. Corp.*, 571 F.2d 390, 394 (7th Cir. 1978) ("[W]e do not view the work product request here as 'discovery' of an adversary's case. Rather, defendants here are requesting the work of prior counsel . . . ."). That the improper disclosure of privileged documents in that context can be remedied through a post-judgment appeal says nothing about remedying the erroneous disposition of claimed property interests in a client's privileged files. *E.g.*, *Mohawk Indus.*, 558 U.S. at 103; *Rosner v. United States*, 958 F.3d 163, 166 (2d Cir. 2020).

The district court found it significant that Reed Smith does not personally hold the privilege (Dkt. 295 at 11), but that is a standing question, not a jurisdictional one (and, as noted below, Reed Smith nevertheless plainly has standing). It also misses the point. As a fiduciary, Reed Smith has an obligation to maintain the confidences of its clients' privileged files pending appellate review as to the appropriate disposition of those files. *See Cinema 5, Ltd. v. Cinerama, Inc.*, 528 F.2d 1384, 1386 (2d Cir. 1976). An erroneous ruling requiring Reed Smith to violate that obligation would be effectively unreviewable post-judgment, as the privilege will have already been broken.

Third, for similar reasons, the Turnover Order is appealable under the practical-finality doctrine because it directs the immediate delivery of property and subjects Reed Smith to irreparable harm by compelling disclosure of its clients'

privileged documents to its adversary and by extinguishing Reed Smith's lien on those documents. *See SEC v. Credit Bancorp. Ltd.*, 297 F.3d 127, 136 (2d Cir. 2002). The imminence of that harm distinguishes this case from those in which this Court has deemed the doctrine inapplicable, whether because a forced transfer of property was not "on the *immediate* horizon," *RSS WFCM2018-C44 - NY LOD, LLC v. 1442 Lexington Operating DE LLC*, 59 F.4th 586, 593 (2d Cir. 2023), or because the turnover had already occurred, *Vera v. Banco Bilbao Vizcaya Argentaria, S.A.*, 729 F. App'x 106, 108 (2d Cir. 2018). Indeed, the deadline originally set by the district court for Reed Smith to turn over its client files has already passed.

Reorganized Holdings argues that the Turnover Order is not practically final because it merely returns property to its rightful owner, "to whom the attorney-client privilege belongs." Mot. 15. But that is the very question in dispute. The company cannot evade appellate review of the Turnover Order merely by asserting that it is correct. *See SEC*, 297 F.3d at 136; *see also Levinson*, 44 F.4th at 96. The district court suggested in passing that the doctrine applies only where "ministerial or unrelated matters" remain outstanding, Dkt. 295 at 12 n.7, but this Court has never limited the doctrine in that manner.

B. Alternatively, the Turnover Order is an Appealable Interlocutory Injunction.

In addition, the Turnover Order is injunctive and therefore immediately appealable under 28 U.S.C. § 1292(a)(1). Irrespective of its label, the order imposes

"an independent, affirmative obligation" on Reed Smith "to take action" in the form of turning over its client files to Reorganized Holdings. *United States v. Bedford Assocs.*, 618 F.2d 904, 914 (2d Cir. 1980); *see also Abbott v. Perez*, 585 U.S. 579, 594 (2018) ("[T]he label attached to an order is not dispositive."). Such orders have repeatedly been held appealable on an interlocutory basis. *E.g.*, *Chi. Imp., Inc. v. Am. States Ins. Co.*, 608 F. App'x 418, 419 (7th Cir. 2015) (permitting interlocutory appeal by law firm of order requiring turnover of former client's case file); *Resol. Tr. Corp. v. Elman*, 949 F.2d 624, 625 (2d Cir. 1991) (same); *see also Hewlett-Packard Co. v. Quanta Storage, Inc.*, 949 F.2d 731, 742 n.7 (5th Cir. 2020) (order requiring turnover of property is injunctive under § 1292(a)(1), even if non-final under § 1291). That the files include many located outside of New York only reinforces the Turnover Order's appealability under § 1292(a)(1), because an order requiring property to be brought into New York from elsewhere is "treated as an injunction." *Koehler v. Bank of Berm., Ltd.*, 544 F.3d 78, 82 (2d Cir. 2008).

Reorganized Holdings cites no authority where an order requiring turnover of a client file located out of state was deemed non-appealable under § 1292(a)(1). Instead, it argues that the Turnover Order is not injunctive because it "does not implicate or otherwise relate to the ultimate relief" in the proceedings below, *i.e.*, confirmation or vacatur of an arbitration award. Mot. 10–11. As the district court noted, however, Reorganized Holdings "has made clear its position that it can adequately

participate in discovery in this proceeding *only* when it has the client file," which, it maintains, includes "critical material it needs to make a judgment about how and whether to defend itself in these proceedings." Dkt. 295 at 26 (emphasis added).

Given that admission, the Turnover Order plainly "relate[s] to the substantive issues in the litigation." *In re Zyprexa Prods. Liab. Litig.*, 594 F.3d 113, 117–18 (2d Cir. 2010). Reorganized Holdings cannot have it both ways: either turnover of Reed Smith's client files is essential to the company's very strategy in this dispute or turnover is collateral, as discussed above. *Cf. In re Feit & Drexler, Inc.*, 760 F.2d 406, 412–13 (2d Cir. 1985) (reasoning that, if a turnover order were unrelated to the merits for purposes of § 1292(a)(1), the Court would be "compelled to view [it] as a collateral order of the type that is appealable under § 1291").

C. The Turnover Order is Reviewable by A Writ of Mandamus.

Even were the Turnover Order not immediately appealable, the Court could issue a writ of mandamus to review it. Indeed, the Court has done so in similar circumstances where review was sought of an order requiring the turning over of assertedly privileged materials that implicated important legal issues, and the privilege would "be irreversibly lost if review awaits final judgment." *Pritchard v. County of Erie (In re County of Erie)*, 473 F.3d 413, 415 (2d Cir. 2007); *see also Chase Manhattan Bank, N.A.*, 964 F.2d at 163–64 .

II. REED SMITH HAS STANDING TO APPEAL THE TURNOVER ORDER.

Reorganized Holdings asserts that Reed Smith has no justiciable interest of its own with respect to the Turnover Order, Mot. 8, nor standing to appeal as Eletson's former counsel, *id.* at 6. It is wrong on both counts.

A. Reed Smith Has Direct Standing to Appeal.

The Turnover Order is directed to Reed Smith by name. It is not an order against a *party* to turn over documents in the hands of its agent, the law firm, but an order against the *law firm* itself. Indeed, the law firm was the only respondent on the motion seeking turnover. It is settled that "counsel have standing to appeal orders that directly aggrieve them." *Weeks v. Indep. Sch. Dist. No. I-89*, 230 F.3d 1201, 1207 (10th Cir. 2000). Even Reorganized Holdings' authorities acknowledge this rule, *Conn v. Gabbert*, 526 U.S. 286 (1999) (lawyer "of course does have standing to complain of" matters that "prevent him from advising his client") (cited in Mot. 6), which follows from basic principles of due process, *Mathews v. Eldridge*, 424 U.S. 319, 348 (1976).

It comes as no surprise that when law firms are made subject to similar turnover orders, they have standing to appeal them. *See, e.g.*, *Elman,* 949 F.2d 624; *Chi. Imp. Inc.*, 608 F. App'x at 418. Again, Reorganized Holdings' own cases demonstrate the principle. *See Matter of Sage Realty Corp. v. Proskauer Rose Goetz & Mendelsohn LLP*, 91 N.Y.2d 30, 34 (N.Y. 1997) (law firm litigated appeal regarding

turnover of client documents) (cited at Mot. 8). Nor does it matter that Reed Smith is a "non-party" to the underlying lawsuit. Mot. 1. Non-parties are entitled to appeal orders that directly affect them. *See, e.g.*, *Off. Comm. of Unsecured Creditors of WorldCom, Inc. v. SEC*, 467 F.3d 73, 78 (2d Cir. 2006); *NML Cap., Ltd. v. Republic of Arg.*, 727 F.3d 230, 239 (2d Cir. 2013). That includes lawyers. *See, e.g.*, *Chi. Imp. Inc.*, 608 F. App'x at 418 (former counsel not party to lawsuit could appeal turnover order); *United States v. Bellille*, 962 F.3d 731, 733 (3d Cir. 2020) (lawyer entitled to appeal disqualification order).

In addition, Reed Smith's lien on the client file, which entitles it to withhold delivery even to the client until it receives full payment, independently supports its standing. Virtually the entire client file is owned by Corp. But Reed Smith has not received full payment for its services from Corp. As a result, Reed Smith has a retaining lien permitting it to retain the client file. *See, e.g.*, *Hoke v. Ortiz*, 83 N.Y.2d 323, 331 (1994) (retaining lien "entitles the attorney 'to retain all papers, securities or money belonging to the client'" (quoting *People v Keeffe*, 50 N.Y.2d 149, 155 (1980)). Yet the Turnover Order strips Reed Smith of its lien. An entity has standing to bring an appeal of an order that purports to strip it of its property rights. *See, e.g.*, *Harkey v. Grobstein (In re Point Ctr. Fin., Inc.)*, 890 F.3d 1188, 1191 (9th Cir. 2018) (party has standing to appeal "[a]n order that diminishes one's property, increases one's burdens, or detrimentally affects one's rights"). Any other rule would violate

due process by depriving Reed Smith of its property without a hearing. *See, e.g.*, *Santander Consumer USA, Inc. v. City of Yonkers*, 2024 WL 4817649, at *9 (S.D.N.Y. Nov. 18, 2024).

Reorganized Holdings argues that Reed Smith's lien against Corp was discharged when the Holdings bankruptcy plan went effective. Mot. 8–9 n. 9. That is glaringly wrong, as even Reorganized Holdings' bankruptcy counsel admitted to the district court, *see* 2/14/25 Tr. at 21:23–22:9, and as will be explained more fully in merits briefing. Corp was not a debtor, and the bankruptcy plan neither purports to eliminate liens its assets, nor could it, consistent with basic bankruptcy law. *See, e.g.*, *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024) (bankruptcy law does not provide for release of non-debtors from claims of non-debtors). In any event, the question whether Reed Smith retains its lien goes to the heart of the merits of this appeal. Reorganized Holdings cannot short-circuit merits briefing by filing a motion to dismiss predicated on its own merits position. *See, e.g.*, *United States v. Demasi*, 2025 U.S. App. LEXIS 5084, *2 (6th Cir. 2025) (declining to rule on motion to dismiss because its argument "is inextricably intertwined with the merits of [the] appeal).[3]

[3] It is immaterial whether Reed Smith's possessory interest in the client file is ultimately subordinate to its client's property interest in that file (as claimed by Appellees, see Mot. 8)—Reed Smith is sufficiently affected by both the mandatory injunction against it and by the stripping of its lien rights in the file. Further, whether there

The motion to dismiss does not seek to pretermit this appeal alone; it also aims to upend the separate appeal, filed by Holdings (Greece), of the bankruptcy confirmation. In the latter appeal, there is an ongoing dispute between Reorganized Holdings and Holdings (Greece) about the control of Reorganized Holdings. The resolution of that dispute will determine whether Reorganized Holdings has any claim to Reed Smith's client file or whether Holdings (Greece) remains entitled to it. In any case, the pendency of that dispute puts Reed Smith in a position analogous to that of an interpleader: Reed Smith possesses property—the client file—which two purportedly separate parties claim to own. Reed Smith should not be required to turn over its client file to one of those "parties" without its obligations to the other being fully determined. *Aegon Structured Settlements, Inc. v. Hicks*, 2011 WL 6739287, at *2 (E.D. Mich. Nov. 16, 2011) (interpleader has an interest being "protect[ed] from multiple liability and the expense of multiple suits."). The Turnover Order opens up Reed Smith to potential liability to Holdings (Greece) and definite reputational harm (including irreparably damaging client relationships) if it is later determined that Holdings (Greece) is the rightful owner of the client file. That risk, too, gives Reed Smith a substantial interest in appealing the Turnover Order.

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has been a change of management to Holdings, as Reorganized Holdings claims, has no impact on Reed Smith's standing. *Contra* Mot. 9.

B. Reed Smith Also Has Third-Party Standing to Assert Holdings (Greece)'s Rights Because the Latter—As Recognized by The Greek Courts—Has Been Barred from Participating Here.

Reed Smith has third-party standing to appeal on behalf of its client. Courts have held, and Reorganized Holdings recognizes, that "[t]ypically, a plaintiff who asserts the claims of a third party can obtain standing by establishing (1) a close relationship to the injured party and (2) a barrier to the injured party's ability to assert its own interests." *Keepers, Inc. v. City of Milford*, 807 F.3d 24, 41 (2d Cir. 2015); *see also* Mot. 5–6. An attorney-client relationship is sufficient for a "close relationship." *See, e.g., Kowalski v. Tesmer*, 543 U.S. 125, 130 (2004); *Caplin & Drysdale v. United States*, 491 U.S. 617, 623 (1989). Indeed, the cases cited in the motion to dismiss refusing to find third-party standing for attorneys did not involve *actual* attorney-client relationships, but only *potential* relationships, or unique facts not present here.[4]

As to the "barrier" requirement, this Court does not require that the third party face "anything near impossibility" to justify third-party standing. "Instead, a mere

[4] *See Fenstermaker v. Obama*, 354 F. App'x 452, 454–56 (2d Cir. 2009) (lawyers did not have client relationships, but alleged they might in the future create such relationships); *Kowalski v. Tesmer*, 543 U.S. 125 (2004) (attorney sought to "invoke the rights of hypothetical indigents," not actual clients); *Matter of Mental Hygiene Legal Serv. v. Daniels*, 33 N.Y.3d 44 (2019) (organization of attorneys lacked standing to assert rights of unidentified patients); *MFY Legal Servs. v. Dudley*, 67 N.Y.2d 706 (1986) (legal-services organization could not challenge court procedures for unspecified clients); *Conn v. Gabbert*, 526 U.S. 286 (1999) (no impediment to lawyer raising his own rights).

practical disincentive to sue'—such as a desire for anonymity or the fear of reprisal—can suffice to overcome the third-party standing bar." *N.Y. State Citizens' Coal. for Children v. Poole*, 922 F.3d 69, 75 (2d Cir. 2019) (understandable "desire for anonymity" justified third-party standing). That standard is easily met here. The district court held that Holdings (Greece) is not entitled to act in the United States even for the sole purpose of appealing the court's orders and that it would not permit Reed Smith to represent Holdings (Greece) if the latter did show up in the case. Dkt. 295 at 27; 2/14/25 Hr'g at 96:17–19, 97:17–22, 105:24–106:9. Thus, it is flatly untrue to say that Holdings (Greece) had been "invited" to do so. *Contra* Mot. 6. Holdings (Greece) was *never* invited by the district court to intervene in this proceeding; it was threatened with sanctions if it did. *E.g.*, Dkt. 208 at 18:15–19:4; 2/14/25 Hr'g at 46:12–16, 46:24–47:3. Holdings (Greece)'s disenfranchisement is precisely the reason Reed Smith should be accorded third-party standing here.

CONCLUSION

For the foregoing reasons, the Court should deny Reorganized Holdings' motion to dismiss this appeal.

Dated: March 31, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I hereby certify that this brief complies with the type-volume limit of Federal Rules of Appellate Procedure 27(d)(2) because, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f), this brief contains 5,166 words as counted by the word-processing software used to create the motion.

I further certify that this document complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type-style requirements of Federal Rule of Appellate Procedure 32(a)(6) because it has been prepared using New York Times 14-point font.

Dated: March 31, 2025

/s/ Mark D. Harris
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CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing brief to be filed electronically with the Clerk of the Court for the U.S. Court of Appeals for the Second Circuit by using the ACMS system. All participants are registered e-filing users and will be served by the e-filing system.

Dated: March 31, 2025

/s/ Louis M. Solomon
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EXHIBIT “4”

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

Debtors.

- -x

United States Bankruptcy Court

One Bowling Green

New York, New York

March 3, 2025

9:33 AM

B E F O R E:

HON. JOHN P. MASTANDO, III

U.S. BANKRUPTCY JUDGE

ECRO: MARIA

Motion to Authorize/Enforce The Stipulated Stay Relief Order And For Sanctions Against (A) The Purported Preferred Nominees And (B) Reed Smith LLP Pursuant To Section 105(a) Of The Bankruptcy Code And Inherent Authority

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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. Can I have appearances for the record, please?

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz, of Togut, Segal & Segal, for Eletson Holdings, joined by a few of my colleagues.

MR. NESSER: Good morning, Your Honor. It's Isaac Nesser, at Quinn Emanuel, for Levona. I'm joined by some colleagues as well.

THE COURT: Good morning.

MR. HERMAN: Good morning, Your Honor. David Herman, from Dechert, on behalf of the official committee of unsecured creditors. I'm here with my partner, Stephen Zide.

THE COURT: Good morning.

MR. ZIDE: Good morning.

MR. CURTIN: Good morning, Your Honor. William Curtin, Sidley Austin, for Desimusco Trading Limited, Apargo Limited, and Fentalon Limited, the preferred shareholders.

THE COURT: Good morning.

MR. CURTIN: Good morning, Your Honor.

MR. SOLOMON: Your Honor, Lou Solomon for Reed Smith. Good morning.

THE COURT: Good morning.

Okay. Who'd like to begin?

MR. NESSER: Your Honor, I'll be speaking for Levona this morning. It's Isaac Nesser at Quinn Emanuel.

Your Honor, we filed the motion at issue this morning simply to restore the status quo. Your Honor unambiguously ordered, in the stay relief order, quote: "The arbitration award shall be stayed." That language is unambiguous and unambiguously prohibits enforcement. But nonetheless, the other side has been enforcing anyway.

Number one, they purported to change Eletson Gas' board members. Number two, they purported to change Eletson Gas' share registry. And number three, they filed at least two litigations abroad, in which they are seeking to enforce the award.

At the time we filed the motion, we were aware of one such action in England. We've since become aware of another one, filed in Greece, that we learned about more recently. That's a case filed, supposedly, by Eletson Gas, and the purported Cypriot nominees, against Levona, Pach Shemen, and Murchinson.

So notwithstanding Judge Liman's decision vacating the decision -- vacating the arbitration award, as against Pach Shemen and Murchinson, among other things, they're seeking to enforce the entire award. And that appears to be part and parcel with the strategy of essentially ignoring everything that Your Honor has been doing and everything that Judge Liman

has been doing by pursuing relief abroad.

So Your Honor, all of those things, the board changes, the share registry changes, and the two foreign litigations -- I should add, by the way, there may be still other foreign litigations we don't know about yet. But all of those things violated the stay relief order's prohibition against enforcement.

As to the board of directors, Your Honor, this happened in February of 2000 -- I'm sorry, February of 2024. They purport to have removed Levona's four representatives, on the board of Eletson Gas, and replaced them with representatives of the purported Cypriot nominees. And those supposed board changes, Your Honor, were implemented via formal corporate resolutions, carefully drafted by lawyers, signed by multiple parties. And they talk about the arbitration award, and they talk about Judge Liman's decision that had been entered several days earlier.

So Your Honor, you don't have to take our word for it when we say that they issued those board resolutions and corporate resolutions in an effort to enforce the award. The actual documents say it. We had to file them under seal, but they open by talking about the arbitration award, and they open by talking about Judge Liman's decision. And I'll have a little bit more to say about that in a few minutes. So that's the board of directors.

As to the share registry, on the same day, at the end of February, they issued purported corporate resolutions purporting to change the share registry of Eletson Gas by supposedly stripping the preferred shares from Levona and reassigning them to the purported Cypriot nominees.

And again, those are formal corporate resolutions, formally drafted, formally signed. And they open by talking about the arbitration award and Judge Liman's decision. They're plainly acts intended to effectuate the relief that they believed they had obtained in the arbitration.

Your Honor, as to the foreign litigations, they both are seeking enforcement. They both use the word "enforcement". They are both enforcement actions in a context where enforcement is prohibited by Your Honor's unambiguous order. So we don't think there's a whole lot to talk about there.

As a remedy, Your Honor, we are seeking essentially just to put things back how they were. That's really what we're after on this motion, to restore the status quo. Number one, the Court should order the parties on the other side to rescind the supposed resolutions changing the board. Your Honor should order them to rescind the supposed resolutions changing the share registry. Your Honor should direct them to withdraw the foreign litigations.

And all of that, Your Honor -- in addition, Your Honor should order them to disclose any other foreign enforcement

proceedings and to terminate them. And that order, Your Honor, should be binding on the purported Cypriot nominees and on Reed Smith, but also on anyone they respectively control or on whose behalf they are acting.

And Your Honor, as to the request that they disclose any foreign proceedings, Mr. Solomon put a declaration in together with his supplemental reply. I don't know what to call that brief. But in that declaration, Mr. Solomon said Reed Smith is "not involved". That was the word he used, "not involved" in any other foreign proceedings.

And Your Honor, that may be so. But that's not the question. The question is, is Reed Smith aware of any foreign proceedings seeking to enforce the award, or are the Cypriots aware of any such proceeding? And does anyone that they respectively control, or on whose behalf they are acting, have the ability to disclose any such proceeding and terminate them?

Your Honor, that relief, just rescinding the resolutions, terminating the foreign actions, it's not punitive, it's not intended to get a litigation advantage. It's just plain and simply a request to restore the status quo that was the purpose and effect of the Court's order.

And because all that is seeking is an enforcement of Your Honor's order, so as to rescind violations, Your Honor can grant that relief without a finding of contempt. Your Honor can grant that relief without satisfying the pleading standard

that would normally apply on a sanctions motion or on a contempt application.

We've also sought an order of contempt and sanctions because we believe the violations are contemptuous. We've also sought coercive monetary sanctions, payable to the Court, until the violations are withdrawn and rescinded. But that's really, I think, secondary, if I can say so. The primary relief that we are seeking is not sanctions, it's not contempt. It's just please put things back how they were before you violated the stay relief order.

Your Honor, I had three slides, and then I'll be done. Is it all right if I share the screen?

THE COURT: Yes, please.

MR. NESSER: Are you with me?

THE COURT: Yes.

MR. NESSER: Okay.

THE COURT: I can see the slides.

MR. NESSER: Great. So Your Honor, the first slide is just the text of the stay relief order. We really -- I just wanted to put it up just so we can all see it. It's totally unambiguous. It says: "Any arbitration award, whether in favor of any arbitration party, shall be stayed."

And Your Honor, it doesn't say "shall be stayed" in respect of acts by arbitration parties, or it doesn't say "shall be stayed" in respect of acts by certain people, but not

others. It says it "shall be stayed". And that language is general and it applies globally to anyone. Any effort to enforce the award is stayed.

Your Honor, the other side, in their briefs, focus on the second sentence, three lines down, that says, "for the avoidance of doubt, the arbitration parties may not do" X, Y, and Z. And of course, Your Honor, that language is there, but that's just an example. That's not a limitation of the first sentence. It's just a set of examples of things that would violate the first sentence.

And I do want to just put a fine point on this issue. There's a good reason why the arbitration parties were called out in the second sentence specifically. And that's because, when the stay relief order was entered, on April 11 of 2023, nobody knew that they were going to make this argument that there had been a transfer to some proposed nominees.

Judge Liman -- and I have the quote at the bottom. Judge Liman held that, April 25, 2023, right, two weeks after the stay relief order -- April 25, 2023 was the first time that Eletson asserted, in the arbitration, that the preferred interests were transferred.

So at the time the stay relief order was entered, there was a reason why nobody referred, in the stay relief order, to the preferred nominees or the supposed preferred nominees. It's because nobody had disclosed that there was

such a thing as a preferred nominee.

And that's why, Your Honor, there's an introductory sentence, in paragraph 4, that's general. "Any arbitration award shall be stayed", followed by a specific sentence. The general sentence was there precisely to cover entities that might not be included, or not precisely, but among other things, to cover entities that might not be included in the second sentence. Is that clear, Your Honor?

THE COURT: Yes. Thank you.

MR. NESSER: Second -- and I apologize for the amount of ink on this slide, but I think it's helpful -- we just wanted to go through the chronology quickly and in one place. And I think it's important, because I think some of the subtleties really jump out when you see it as a chron.

So March 11th, 2022, the Symi and Telendos shares were transferred to Levona pursuant to the BOL contract. And as Your Honor knows, everyone agrees those shares were transferred to Levona; the only question is in exchange for what. We think they were transferred as consideration for an option. They think they were transferred as an exercise of the option. But everyone agrees they were transferred and they belong to Levona free and clear.

April 2023, a year later, Your Honor issues the stay relief order, and a few months after that, we have the initial arbitration award. Your Honor, I quoted a couple passages from

the arbitration award here. They appear in our reply brief. But I wanted to flag them because I'm not sure that the point came across crisply enough in the reply brief.

The arbitrator, in the decision, in the award, said there had been no change to the stock ledger of Eletson Gas, as of March 11, 2022, or as of the arbitration, because "the formal transfer of those shares had been suspended pending the arbitration".

And I won't get into the details; it's in the briefs. But there was a valuation process that the arbitrator believed was necessary to have happened. He believed that he conducted that valuation process in the arbitration. But it's clear that everyone -- it's clear that he held that there had been no change to the stock ledger prior to the arbitration.

Why does that matter? It matters because any change to the stock ledger, that happened after the arbitration award, necessarily, therefore, was an enforcement of the award. If it had happened before, perhaps you could have the argument that Sidley makes that, well, we were just implementing the March 11 transaction as we understood it.

But they never did that. That never happened. It never happened because there was this valuation process that needed to happen. And the arbitrator said, no change to the stock ledger as of the beginning of the arbitration, and in fact no change until, certainly, as of the end of the

arbitration. So any change to the stock ledger now is an enforcement of the award. That's it.

Continuing, February 9, 2024, Judge Liman issues his decision regarding confirmation and vacatur of the award. And we know how the other side of the table perceived that order, because they showed up in Your Honor's courtroom and were crowing about how they had received this order, they were off to the races. Mr. Solomon said they had received a ninety-seven out of a hundred percent victory. And so that was perceived as free reign to move forward, notwithstanding Your Honor's stay relief order that said they could not move forward. But anyway, they did, right away.

So February 9th -- Judge Liman's decision was a Friday -- on February 14th, the Wednesday, so just three days later, they run to Judge Liman with a motion seeking a pre-judgment enforcement remedy. And that was an enforcement action. It said enforcement in the statute. It said enforcement in the motion. It said enforcement. It was an enforcement action.

And at the time, we told Judge Liman it was an enforcement action that violated your order. And at the time, we told Your Honor it was an enforcement action that violated your order. Of course, we reserved rights. But it was enforcement.

And then twelve days later, on the 26th of February,

we have these formal board resolutions, that we're talking about this morning, in which they supposedly changed the Eletson Gas share registry and the Eletson Gas board. And the reason why I think the chronology here is helpful is because you see it in context. Those corporate resolutions were not signed or issued in March of 2022, way at the top, after the BOL was supposedly exercised. Those resolutions were not signed or implemented before the arbitration. They weren't signed or implemented during the arbitration. They were signed two years after the BOL transaction that they were supposedly implementing. Right?

And so it's not -- what they were doing was not an implementation of the March 2022 transfer -- contract. What they were doing was enforcing the award that Judge Liman -- or purporting to enforce the award that Judge Liman had ruled on just a few days earlier, right?

So February 9 is when they're off to the races. Within days, they're going to New York, Southern District of New York, pre-judgment attachment. Within a few days of that, they signed these board resolutions. The board resolutions, as I said at the top, explicitly talk about Judge Liman's decision, explicitly talk about the arbitration award.

And then this is sort of mind boggling. But February 27th, the next day, the day after the board resolutions, the next day, they show up in Your Honor's court room and say, no

one's doing anything with the award until there is a judgment. And that was in answer to Your Honor's question about whether they were going to be enforcing. Your Honor, sua sponte, asked the question, are you going to be enforcing? And the answer was, no one's doing anything with the award until there's a judgment by way of enforcement.

Your Honor, I was curious to see what on earth we were going to get back, in the opposition briefs, explaining away that statement, or explaining why that statement wasn't false when made. And there's nothing. We got no answer. There's no explanation for how it could be that, literally the day after they purported to change the entire share registry and board of directors of Eletson Gas, they could march into Your Honor's courtroom and say, oh, we're not doing anything; nothing's happening to enforce.

In any event, two weeks after that, we have the BVI freezing order which is also an enforcement action. We told Your Honor at the time it was an enforcement action. We reserved rights.

But these five points -- or really the four points that are in red here -- it's a series of enforcement actions that all occurred, immediately right next to each other in time, triggered by Judge Liman's decision. All of those actions were part and parcel of a single enforcement strategy triggered by Judge Liman's decision. So it was all

enforcement.

So what happens next? We spent six months asking Reed Smith and Sidley Austin, twenty-plus times, has the share registry changed, because we became concerned, by all the enforcement action, that maybe they're doing things. Has the share registry changed? Where's the share registry? Can we please see an amended share registry?

I suspect Your Honor remembers it, because we were in front of Your Honor multiple times. I was asking the question, where is the share registry? Can we have the share registry? Has it been amended? And we got nothing. We got stonewalling for six months. And I'll run through that in a tiny bit more detail in a minute.

But that takes us then to September of 2024. Judge Liman permits us to amend. November, the plan goes effective. Again, they become unhappy and start shopping for better forums. And so we get the Greek case filed by Gas, supposedly filed by Gas and the Cypriots, against Levona, Pach Shemen, and Murchinson, at the end of November. And then we have the English enforcement action, which is titled Gas against Levona, filed in the middle of December.

So Your Honor, those were violations of the stay relief order. Again, we're just asking that they be rescinded so that the status quo is restored.

Final slide, there's a lot of ink, even more than on

this one; I'm warning you. But it takes a lot of ink in order to reflect all of the times that we asked them whether the share registry had changed. We did it on June 9th by email. We said, can we please have confirmation that there's been no change to the share registry? At a hearing on the 10th, Your Honor, I said to Your Honor, we've asked six times, has there been a change to the share registry by the debtors or the Cypriots?

Your Honor ordered us to meet and confer on the 10th. On June 10th, during that hearing, Your Honor said the parties should meet and confer regarding any changes to the share registry. And so we were able to actually get a phone call, with Mr. Curtin at Sidley, on June 17th. I was on it and Mr. Shaughnessy was on it. And during that call, Mr. Curtin said, I don't know whether the registry has been changed, but I'll find out. And I said, well, when can we expect an answer? He said, within a week -- within the week. But we never heard back.

And so we followed up on the 21st, on the 25th, on the 26th, on the 27th, on the 30th. Literally every day I'm sending emails saying, please, has there been a change to the share registry? You told me you'd find out, pursuant to Judge Mastando's order that we meet and confer about it. Where is the answer? We get no answer. July 10th, July 11th, I mean, it's on and on.

We finally file a motion on July 16th seeking Rule 2004 discovery. Have they changed the shares? And the response we get back from Reed Smith, in its opposition brief and its reply brief, is this is a waste of time and a fishing expedition. Your Honor, it was a fishing expedition; that's what they said. And so forth and so on.

So it was three months of stonewalling. And Your Honor, the reason why they were not answering the question or providing any answer is now clear. The reason why they wouldn't tell us whether there had been a change to the share registry is because they were -- it was as if they were pleading the Fifth. It was because if they said, yes, there has been a change of the share registry, they would have been admitting to a violation of Your Honor's stay relief order. So they couldn't answer that question, so they just said nothing.

Your Honor, I would respectfully suggest that was not consistent with their duty of candor to the Court or to counsel. But in any event, I do want to come back to where I started, because this is not primarily -- as I said, this is not primarily a motion for sanctions or contempt, although it's well warranted.

This is primarily a request that Your Honor order them to restore the status quo, to rescind these board resolutions, to terminate the English and Greek cases, to disclose any other cases of which they're aware, and to terminate those as well.

We think that's the minimum that's required. That's all I have.

THE COURT: Thank you, Counsel. A quick question. Have these issues been raised before Judge Liman in any way?

MR. NESSER: They have been, and they will be raised this afternoon as well, in the brief that's due. Certain of them have been, I should say.

THE COURT: Thank you, Counsel.

Who else would like to be heard?

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz of Togut, Segal & Segal, for Eletson Holdings.

We did file a joinder at docket 1387. I'll be brief. Mr. Nesser was very thorough. But I do think, Your Honor, it's helpful to reiterate the purpose of the stipulation from our perspective, because we entered into it to prevent exactly this sort of activity.

Your Honor, as you may remember -- or may not remember; it was quite some time ago -- at the hearing where the stipulation was approved nearly two years ago, I mentioned that we were in favor of it because, "we want to make sure that we are maximizing value for the benefit of creditors". I noted we were happy to have the arbitration go forward, particularly, "to the extent that it" -- meaning the award and the preferred shares -- "is determined to be property of the estate" because then the value would flow to the creditors.

We, of course, Your Honor, have always considered this property to be property of the estate. But you, of course, don't need to decide that today, if it's property of the estate or, at this point, of the reorganized entity, because the whole point of the stipulation was that, at the very least, as potentially property of the estate, all parties agreed, at a time, by the way, Your Honor, when the outcome was unknown, that whoever prevailed could not enforce upon the award until that question was brought back to Your Honor to be determined. A question that, again, all parties agreed wouldn't even be posed until there was a final nonappealable award.

That, of course, is not the current situation, Your Honor. There is an award that has been confirmed in part and vacated in part. But even the confirmed in part, Judge Liman, recently, as Your Honor is aware, sua sponte, made specifically subject to the future determination of whether it was procured by fraud.

So our perspective, Your Honor, when entering into that stipulation was, yes, go forth, have your arbitration. But if you succeed, we believe that you have succeeded on behalf of the estate that owes creditors hundreds of millions. And those creditors should be the beneficiaries. They, of course, Your Honor, disagreed that the estate would be the beneficiary. And that is the question that was left for you.

But they've now gone and begun making efforts to

enforce, without first bringing that question to Your Honor which, in our view, is a violation of the stipulation. And I do not think the reference to play -- as always seems to be the case, Your Honor -- a shell game with regard to what party is taking what actions changes anything.

In fact, the concern that it might be a transferee enforcing the award was raised at the same hearing, by Mr. Zide, when he noted, on behalf of the trustee, that he was "happy to see there's a stay for enforcement of the judgment. We did have some concerns with transfers. There were some statements in the motion that was filed by the alleged debtors here that some of these assets may be transferred to a nominee".

Thus, Your Honor, the intent was always to cover parties that might be the beneficiaries of a transfer. Arbitration parties was defined to include the parties then part of the arbitration, as I think Mr. Nesser went through. They should not be able to dodge its impact by the fact that they later added parties to be the beneficiaries of the award. In any event, the stipulation discusses the stay of the enforcement of any arbitration award, as Mr. Nesser went through.

If anything, Your Honor, their arguments that Gas and the nominees haven't been served really amount to admissions that there have been efforts to enforce, because the argument

isn't that the stip wasn't violated, it's that those entities weren't parties.

In any event, Your Honor, it seems clear to us that the actions in question are enforcement of the not yet final judgment. For instance, replacing the board members nominated by the preferred shareholders is something you can only do if you have the preferred shares.

Just for Your Honor's edification, I think you probably know this, but the Gas board was made up of six board members, two appointed by the common holders and four appointed by the preferred holders. So using the preferred shares to replace the four board members and, in essence, assert control of the company, would be enforcing on the judgment, which they don't have yet.

But worse, Your Honor, they appear to be attempting to enforce on the judgment in ways that will ensure that the value escapes before Your Honor ever addresses any of this. Indeed, Mr. Solomon's argument is essentially -- and of course, sounds familiar -- these parties aren't here and aren't covered. So you never get to address the question we all agreed would be left to Your Honor.

Mr. Solomon also makes this remarkable "whatabouterism" argument that, because Holdings recently replaced the two Holdings appointed directors, after confirmation of a plan, changing the ownership of Holdings, we

are also violating the stip.

But as Your Honor noted in your confirmation decision, Eletson Holdings owns 100 percent of the common shares of Gas. Part of what creditors who chose equity obtained, pursuant to the confirmed plan, is 100 percent ownership stake in the common shares of Gas. And with that, we replace the board members that were appointed by the common.

The arbitration, Your Honor, concerns the preferred shares, not the common shares. He continues to want to pretend we live in this fantasy world where the Chapter 11 either didn't happen or doesn't count. But it actually highlights that they did not consult the two board -- the more recent board member appointed by Holdings in bringing the latest enforcement action on behalf of Gas.

Thus, as we notice in our short joinder, we believe, in addition to violating the stipulation, Your Honor, it also violates the plan, because they are interfering with our 100 percent common ownership in Gas, but purporting to still control the two board seats related to the common held by Holdings.

And it's also worth noting, Your Honor, that the two people who were the former common appointed board members, and purportedly approved the unauthorized U.K. enforcement action without any authority, were Vassilis Kertsikoff and Laskarina Karastamati, who both just dodged sanctions by certifying they

resigned from Holdings board and have no say in the business. Yet here they are, despite being removed from the board of Gas by the current owners of the common shares, seeking to enforce the award, in violation of the stipulation, against the interests of the current holders of the common stock.

In any event, Your Honor, I don't think it can be legitimately disputed that the purpose of the stay stipulation was to delay any enforcement until questions concerning who has the right to that award obtained could be addressed by Your Honor. Thus, we believe the new actions violate the purpose of the stipulation.

And I'll just note, Your Honor, also, quickly, that the point of it being either property of the estate or not is, Your Honor has jurisdiction over all property, has in rem jurisdiction over all property of the estate. So it doesn't necessarily matter who's enforcing it. It's about the property. And the question of whether it's the property of the estate was always supposed to come back to you first to determine whether or not you had that jurisdiction.

So we believe that they're violating it and respectfully request that Your Honor enforce the stipulation. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

MR. HERMAN: Your Honor, David Herman from Dechert for the committee, if I could be heard briefly.

THE COURT: Please.

MR. HERMAN: Thank you. I would just like to make two very quick points. The committee agrees that the Court should restore the status quo here and sanction the violators.

As Mr. Ortiz mentioned, we participated in the hearing where the stipulation was entered. The entire purpose of that stipulation, and staying enforcement, was to prevent exactly this, efforts to transfer the assets to third parties affiliated with the insiders before the Court has had a chance to address the issue of whether these assets properly belong to the estate, as we believe they do.

And number two, these are yet more efforts to siphon these assets from the estate, now vested in the reorganized debtor, without any authority to do so. We have the former owners and directors here, purporting to act on behalf of Eletson entities, and their former counsel, purporting to act on behalf of Eletson entities, even though the ownership of those entities, 100 percent of Eletson Holdings' interest in the subsidiaries, has been vested with the reorganized company.

So we think this is part and parcel with everything else going on here in violation of the plan and confirmation order and really urge the urge the Court to continue Your Honor's efforts to put a stop to this. Thank you.

THE COURT: Thank you, Counsel.

Anyone else who would like to be heard?

MR. SOLOMON: Yes, Your Honor. Lou Solomon for Reed Smith.

Frankly, I have to say, it's a little bit hard to know where to begin, because I thought we were accused of sanctionable conduct, and now it looks like discovery is what's being requested.

Reed Smith engaged in no sanctionable conduct at all. The proof is supposed to be clear and convincing. There is no proof at all. What seems to be happening is, I don't know, trying to -- I don't think they're going to confuse Your Honor, but to confuse the matter so that we'll all think that something is going on when nothing is going on.

You heard the word "enforcement" fifty or sixty times. That is what the stay relief order was about, enforcement. There has been no enforcement. And we can distort words and torture them all we want. But at some point, the plain language is going to have to govern. And there has been no enforcement of the arbitration award. A confirmation proceeding is not enforcement.

Your Honor, taking twenty million dollars out of the Symi, which is what Levona has done, leeching money from the estate, now, that violates the stay order. But you don't hear Pach Shemen, of course, because they are Levona. And you don't hear the committee, because they are Murchinson. You don't hear them complaining about that.

But I want to get back to the language of the stay relief order, because its language follows its logic. And its logic was Your Honor did not want assets that might belong to the estate -- and Gas is not one of those assets; that's a misstatement. That's a grotesque misstatement. Holdings owns the common. They don't own the preferred. And the preferred controls Gas.

So the question is what happens to the preferred? Now, Mr. Nesser tells you that everybody agrees that it was transferred. No, that's not right. That's a sort of typical misstatement, not found any place in the brief -- we would have corrected it -- typical misstatement. If the preferred transaction is undone, the Symi and Telendos come back to the company. They come back. And at that point, there may be assets of Gas, and the common stockholders may have a common interest, and then there are going to be preferred holders.

And Your Honor understood, in April, when this was entered, that there were possible transfers because, as was read to you by Mr. Ortiz, in something that's completely inconsistent with what Mr. Nesser said -- Mr. Nesser said, oh, you know why Your Honor said no arbitration party shall transfer, because nobody knew of any other transfers. False. And we know that because Mr. Ortiz just quoted you from that April hearing where he said, no, listen, there may be other transfers. Transfers were irrelevant at the time, because no

enforcement was going to happen until the parties came back. And Your Honor, no enforcement has happened.

And you can put whatever lipstick you want to on a pig, and it is not going to change it. There has been no enforcement. Enforcement means grabbing assets. Enforcement means taking money out of the estate. We haven't done that at all. It is they who have done that.

And so let me go through the three things that they want to sanction Reed Smith for. The first, Mr. Nesser says, is, well, directors were changed. This is not -- this is the same, you'll pardon me, sloppiness that they throw everything up and then want to blame Reed Smith for it. And that's not what a motion for sanctions is.

And the Court's role, in a motion for sanctions, is to look with great care at what the evidence is. There's been no evidence that Reed Smith has any control over who the directors are. And we put in evidence that there is no control over who the directors are. And nothing that Reed Smith has done can be identified as having anything to do with who the directors are. And there should not be any even suggestion of contemptuous behavior about who the directors are.

The share registry was changed. By the way, Your Honor, the share registry was changed to maintain the status quo. Everything that is being done is maintaining the status quo. The language of the stipulated stay relief order did not

say that, because the bankruptcy goes through, or because it takes time, that Gas should be put out of business.

A little bit of understanding, a little bit of logic needs to be brought to bear, that when Your Honor spoke about the arbitration award being stayed, Your Honor didn't say that ordinary course of business transactions could no longer be done by an affiliate that is not Holdings. Even ordinary course of business transactions of Holdings were permitted to be done.

And so when the share registry changed, which we had no involvement and control over, what was happening, as has been stated to Your Honor, is that what happened, as of March 2022, was then reified, provisionally reified, so that the company could do business, so that Gas could do business. It was not enforcement. And you could distort that language. You can sort of rearrange the letters, if you want, all you want; it's not going to be enforcement. And Reed Smith had nothing to do with it.

When Mr. Baker -- now, Your Honor, of course, Judge Baker, the person that Mr. Nesser just accused of a lack of candor, to Your Honor, right, when he quoted Bankruptcy Judge Baker, who just -- who said to Your Honor, nothing was being done and we are going to come back. That was true. And nothing has been done. And we do intend to come back.

And so his first point was that directors were

changed. Reed Smith had Smith had nothing to do with that. There's no evidence that they did.

The second point is that the share registry changed, the share registry in the arbitration, Your Honor. Levona complained and accused us of when we didn't change the share registry. They said the share registry has to be changed in the normal course of business. And because Levona, at the time, owned the preferred, it claimed, they said the share registry needs to be changed, not having anything to do with injunctions or anything else. That's the normal course of business that you're supposed to do, and we did wrong by doing it.

And after Judge Liman rendered his ruling, the company apparently went back and did what was done in March of 2022. It was administrative. It was ministerial. It was certainly not enforcement.

And the last thing they argue is that the enforcement proceedings -- these are confirmation proceedings. These are not enforcement proceedings. There's no sub pro (ph.). There's no grabbing of assets. These are trying, under the New York Convention, which is a treaty of about 178 countries in the world, to try to get the award confirmed by statute. Congress understands that that can go on in multiple jurisdictions. There's nothing untoward about it going on in multiple jurisdictions. No one is running away from everybody.

It is the way it is done. You seek to confirm your award where you think you can, or need to, or have assets.

And we said to Your Honor that no enforcement will happen until we come back. And we say again that no enforcement will go on until we come back. That is, assuming the stay relief order remains exactly as is. We will continue to comply with it, and we've done nothing else from it.

Now, if Your Honor believes that somehow there's something wrong with that, the parties who are going to do something about it are not before Your Honor. And I understand Mr. Ortiz waves his hand at due process, and it doesn't really matter. Just you know what? Enter the order and it doesn't really matter. Well, it does matter. And that's why we made the defense that we made.

Reed Smith is counsel in one of the actions, not even counsel in the BVI. Your Honor is known about the BVI action for over a year. Has anybody said that that violates the stay relief order? Of course not. We're trying to preserve assets for the estate, not get rid of assets for the estate.

When Mr. Ortiz and Mr. Nesser knew that the share registry changed, over six months ago, did anybody say to Your Honor, wait a minute, you can't do that? No one said anything, because, of course, changing the share registry isn't enforcement. Now they're trying to pile on lots and lots of motions, see how many shots they can get on goal, see how many

times they want to bring Reed Smith in. It has nothing to do with the changing of the share registry.

But they knew that. And the reason why we believe that they are both estopped, and they have waived any right, is that you don't get to reserve your rights and come in anytime you want. You have to act promptly. They didn't act promptly. They didn't act promptly because they understood. It's so extraordinarily interesting.

Now I see this chronology from Mr. Nesser. It stops at September 4. You know why it stops at September 4, Your Honor? Because they had the document. We produced the share registry in the bankruptcy. We produced it to counsel for Pach Shemen, same representatives as Levona. Pach Shemen purported it was going to use it at the hearing, put it on its intended trial exhibit list. It was all public for everybody to see. Hardly the conduct of somebody who was trying to hide something. Hardly the conduct of a bankruptcy judge, now sitting, who was not being candid with Your Honor. There's no evidence that Reed Smith had any role that was contemptuous at all.

Let me just look at my notes, and I should be done very momentarily, Your Honor. None of this has been raised by Judge Liman. Mr. Nesser misspoke.

THE COURT: Well, did you say by Judge Liman or before Judge Liman? I --

MR. SOLOMON: Nothing has been raised -- none of this has been raised to Judge Liman, not to my recollection. He says he's going to file something today. We'll look at it.

But my point, Your Honor, is that I think there was a role for the stipulated stay relief order. We have complied with it scrupulously. We have maintained the status quo. We have done exactly what we have said. And if there is going to be any enforcement, and prior to any enforcement, we will come back to Your Honor. And that is what we say.

By the way, Your Honor, that's what Gas, who's not even here, says in the English proceeding, that it's not -- they're not even going to move to an enforcement stage there, until the U.S. proceedings, which includes coming back to Your Honor, are concluded.

I'm happy to answer any questions, but otherwise --

THE COURT: Yeah. Tell me what you mean by that, when you say the confirmation is not enforcement, et cetera. The foreign proceedings proceed however you envision, and then what do you envision?

MR. SOLOMON: Right. So under the New York Convention, the statute uses language "confirmation and enforcement". Those are -- it's a term of art. It does not mean that you're going and grabbing assets. It means that you ask the Court to confirm the arbitral award. And there are grounds to confirm, and there grounds to vacate.

And if the arbitral award is confirmed, like Judge Liman did confirm ninety-seven percent of the arbitral award, and now has stayed that, when that gets fully confirmed, or when another country fully confirms that award, before any enforcement action is going to be taken, meaning, you take the award, you go to the sheriff, you go and try to execute on it, you go grab assets, you try to put a supplemental proceeding together, where you identify assets, and you go to the bank accounts, and you freeze those bank accounts. What we have said is, before any of that happens, we will be coming back to Your Honor. We've said that, and we have not strayed from that one iota.

THE COURT: Okay. And now tell me about, in terms of the change in board members and the share registry, their argument seems to be those only happen because of what's in the arbitration award. Do you disagree with that?

MR. SOLOMON: Yes, we do. We completely disagree with that. Your Honor, that has nothing to do -- that was the ordinary course of business. Our client believes that, long before the arbitration, right, when it transferred to the nominees, okay, they had a right to the board seats that Levona, as nominee -- as nominor, moved to them. Nothing to do with the arbitration. It would have happened quite apart from the arbitration. It certainly has nothing to do with enforcement, which is what I think your stay relief order has.

THE COURT: Well, isn't this complicated by the fact that it happened after the arbitration award?

MR. SOLOMON: Well, I think it may be fair to say that it was complicated. I think that the -- I'm looking at it from afar. I think the client was uncertain what to do until Judge Liman confirmed that award. And then I do think it's a ministerial matter. It made its share registry so the company could do business.

Your Honor, I have said to you, Your Honor, repeatedly, Murchinson's plan here is to strangle Gas. It's always been its plan. Gas needs to do business. And if Gas can't present a share registry to people it's doing business with, and a set of directors, that are consistent with its position, no one will do business with it.

But that's what Murchinson wants. That's not what Gas wants. Murchinson wants to strangle it. So I'm not disagreeing with Your Honor that they could have done it earlier. I think they waited until Judge Liman confirmed that. So they knew -- it has nothing to do with the -- it really doesn't have anything to do with the award. They then had a contractual right to create a registry that was identical to the reality that occurred before the arbitration and before this Court's stay relief order, and that they did.

THE COURT: Thank you, Counsel.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Anyone else like to be heard?

MR. CURTIN: Yes, Your Honor. Good morning, William Curtin, Sidley Austin, for the preferred shareholders.

Your Honor, I'd like to point something out. From my perspective, this motion follows what's become a trend in this case. If Your Honor thinks back -- and this is with regard to the timing of the motion, Your Honor. If Your Honor thinks back, every time in this case that things don't appear to have been going Murchinson's way, through either the Togut firm and petitioning creditors, or the Dechert firm and the committee, Quinn Emanuel and Mr. Nesser will show up with some type of dramatic motion, like the one that's before Your Honor this morning, in an attempt to pile on, if you will, and sway the Court towards the Murchinson view of the world.

Earlier in the case, Your Honor, was the 2004 motion, which was, of course, around the time of the Murchinson losses in the Chapter 11 trustee motions and also in the disclosure statement patent unconfirmability objections with regard to the debtors' plan.

And now we have this sanctions motion, that's before Your Honor today, that was -- I think it's important to kind of step back and remember, it was filed not in the last two weeks. It was filed at a time when, clearly, the view of -- from comments they made in court, the view from, from the Murchinson side of the house was that Your Honor was not moving quickly

enough to enforce the confirmation order.

So again, they go back to their tried and true strategy, and Quinn Emanuel, the Levona arm of Murchinson, comes in with this motion which, again, as Mr. Solomon has laid out in some detail, and even Mr. Nesser's own time line reveals, is old. It involves old facts that everyone's known about at least since September of last year.

So the timing of the motion is, at best, suspect. And frankly, Your Honor has now, in the intervening time since this motion was filed, dealt with the Togut sanctions motions, and that is in process. And there is no reason for Your Honor to, in a sense, pile on with this pile-on motion that was filed.

Your Honor, the 2004 motion, I want to point out a few things, and then I'll get into, briefly, the substance, which we do address in our pleading. The 2004 motion, Your Honor denied that motion. And all of Mr. Nesser's chronology regarding his persistent outreach to me, that's all before the 2004 motion. You heard that in the 2004 motion. And the 2004 motion was denied.

And again, the shares -- as Mr. Solomon pointed out, the share registry was produced in the context of the confirmation trial in September. Again, the exhibit list there is at docket number 1142. It's number, I think, 235. And that has been produced. They've known about it, again, at least since September. Obviously, they knew about it earlier, but

it's demonstrably provable that they knew about it in September. And yet here we are, in March, arguing this motion.

Your Honor, with regard to the substance, I think our brief sets out our position pretty clearly, but I'll just make a few points on the highlights. Your Honor, I think it's fairly clear that my clients, the preferred shareholders, are not arbitration parties. They were not parties to the order that they are now being accused of violating. They were not parties to the stipulation. They were not even involved in the case, Your Honor.

Obviously, Sidley was not involved. My clients were not involved. In fact, my clients, the preferred shareholders, were essentially compelled to appear in this case, initially, to defend themselves against the 2004 motion. And now they're here defending themselves against this motion.

Your Honor, Mr. Nesser used the phrase "just an example" with regard to the second sentence of paragraph 4. I would respectfully disagree that anything in a stipulation or an order is just an example. We go through a litany of cases in our brief that highlight the fact that the words of an order matter.

And it's quite clear, I would submit, on its face, what the stay relief order says and what it doesn't. It's Your Honor's order. It's Your honor's stipulation and order, and Your Honor will make that decision. But I would submit,

certainly to you, that there is no line in that order that is "just an example".

With regard to the issue of -- again, coming back to the share registry and the board changes, Your Honor, as we highlight in our in our brief, the arbitration found that the preferred shareholders had -- that the preferred shares had been transferred to the preferred shareholders in March of 2022.

In other words, just to kind of break it down, what the other side, what Murchinson wants you to believe is that the arbitration award said you can do this, and then the preferred shareholders, or whoever else, went on and enforced by "doing this", right? But that's not what happened.

What the arbitration award said was that the preferred shares had been transferred to the preferred shareholders in March 2022. Simply just a fact. So the share registry which, again, it's a ministerial act, it's something that, again, yes, they could have done it in April of 2022 if they wanted to. I agree with that.

In terms of the timing, I agree with Mr. Solomon's response. I think, not to put myself in the minds of other folks, but I think that perhaps they felt more comfortable after they had the order of the district court confirming the arbitration. But again, it doesn't change the fact that the arbitration award simply found that the transfer had been made

in March of 2022.

And as I told Your Honor in court, when we were going through the 2004 motion, and Mr. Nesser tried, I don't know how many times, on the record, to ask me. And Your Honor, which I appreciated, did not direct me to answer. But then on my own, just because I decided that enough was enough, I told Your Honor, and everyone else, that the preferred shares were with the preferred shareholders, and had been, and still are. So the insinuation that there's some type of enforcement or transfer is just not -- it's just not the case, Your Honor. So --

THE COURT: So you're saying the shares could have been transferred in April 2022, and then that would have still been consistent with the arbitration award, and we'd be in the same place that we're in now.

MR. CURTIN: No, no, what I'm saying -- they were transferred in March of 2022, Your Honor. I'm saying --

THE COURT: No, I mean -- I meant on the registry -- I meant on the share registry.

MR. CURTIN: Yeah, right. The registry could have been right -- exactly. The registry could have been updated in April of 2022, just the same way it was when it was updated.

And they can try and draw conclusions and cast aspersions, and it's tiring at a certain point, but that is just the -- it's just the way it is. It's the facts. It's the

law. They could have done it in 2022. They did it when they did it. And they had every right to do so. And it is not, by any means, an enforcement of the arbitration award.

So again, Your Honor, our argument is pretty simple. My clients are not parties. They're not arbitration parties. They're not subject to that paragraph. But in any event, the actions that were taken, with regard to the share registry and the board members, even if they were, were not enforcement and thereby did not violate that order.

So Your Honor, I think, again, this is a distraction. It's a sideshow. It's old news. And Your Honor has, since this motion was filed, issued orders with regard to the real crux of the case here. You don't need the Levona piling-on motion to distract from that. And I would ask that Your Honor deny the motion.

THE COURT: Okay. Can I just ask, to the extent you know, what impact has the change in the board members, and/or the change in the share registry, had on the operation of the business?

MR. CURTIN: Well, it's allowed them to run. It's allowed the business to be run, Your Honor. And I think it's -- I think I would answer your question, if there was any adverse impact on anything, you would have heard it from the other side. Instead, they're just saying that the act of doing it is sanctionable.

I don't think any adverse impact has occurred to anyone. I'm sure, now that you've asked the question, they'll come up with something. But from our point of view, it's just allowed Gas, which again, I don't represent Gas, but it's allowed Gas to run the business.

THE COURT: And what is your view on Mr. Solomon's statement about coming back to this Court regarding enforcement, if there is any action in a foreign proceeding, assuming that that's appropriate, but if there is any action, that there would be no "enforcement" until it was brought back to this Court?

MR. CURTIN: Your Honor, I have no issue with what Mr. Solomon has said. I mean, if Your Honor is asking if my client somehow -- my clients, the preferred nominees, are voluntarily subjecting themselves to an order that they didn't sign, I don't have authority to tell you that. But I have no issue with what Mr. Solomon said, and I expect that's what would happen.

THE COURT: Thank you, Counsel.

MR. CURTIN: Thank you, Your Honor.

THE COURT: Would anyone else like to be heard?

MR. NESSER: Your Honor, I have a few points in reply.

THE COURT: Sure. Anyone else before I turn it back to Mr. Nesser in reply?

Okay. Counsel?

MR. NESSER: Your Honor, just to start, on the issue of whether this was some effort to pile on to someone else's sanctions motion, Levona hasn't filed any motion in this case in many months. The reason we filed it is because we want to make sure that Your Honor's order is respected and the status quo is preserved, and that the Court's jurisdiction and authority is respected and preserved. And that's appropriate.

And the entire reason I started my presentation this morning, by sort of saying this is not primarily about sanctions and contempt, is because all of this kind of mudslinging is sort of beside the point of what we're trying to accomplish here. We just have an issue. They've done things; they should be undone.

I wanted to follow up on Your Honor's question to me about what we've told Judge Liman. We told Judge Liman about the enforcement in the English case for the first time on December 20. That was ECF 232. We reserved our rights, with respect to the stay relief order, in that letter, at footnote 1.

At that point, we didn't realize the English case had been filed. We had been told that -- we'd been asked whether we would accept service of it. We thought it had not been filed. But we subsequently learned it had been filed. So that was number one, on December 20.

Number two, on January 16, we informed Liman that the

enforcement proceeding had been filed. We also told him on that date about the board resolutions, and we also told him on that date that we had filed this motion. That's ECF 248.

And on January 28, we filed a brief in which we again alluded to the change in the share registry or the purported change in the share registry. That was ECF 258.

We haven't, of course, directly -- other than the footnote, we haven't directly raised the extent to which those actions violate Your Honor's stay relief order because --

THE COURT: Yeah, I wasn't raising really the stay relief order.

MR. NESSER: Yeah, just --

THE COURT: I was asking whether there's any relief that's being sought in the district court related to these issues.

MR. NESSER: Yeah. That's right. So not directly at this point in time.

I will say, Your Honor, and I hadn't planned to say this, but the structure of the proceedings, the fact that we have the bankruptcy case, and then we have Judge Liman's case, it does make it somewhat difficult to coordinate. We're doing our best. But I don't know if there's some more formal way in which we could make that run more smoothly. But we do -- it does often feel as if things are being done over here, so that we can't do them over there, and vice versa. And the split

nature of the process is being used -- is being weaponized. But --

THE COURT: I have no problem with the smoothness. I think it's running smoothly. I just meant, if you're putting aside -- putting aside the stay relief order, is there some sort of relief that can be or is being sought in the district court? It wasn't meant to presume the answer. I was just asking.

MR. NESSER: No, no, no, of course. And the answer is there's not. I mean, look, there's now been a request by Reed Smith, on its own behalf, to Judge Liman, asking for a stay of Judge Liman's order displacing Reed Smith as counsel and ordering turnover of certain documents. Our view, which we'll communicate to Judge Liman in a brief later today, is that we'd be prejudiced by a stay like that, precisely because they're off doing all these other things in the interim. But we've not specifically asked for relief at this point in time.

Number two, or the next thing I wanted to address, briefly, is Your Honor's question to Mr. Curtin. You said what impact has the share registry change had on Eletson Gas? Your Honor, to begin with, I do want to emphasize we don't concede that those changes have had any formal effect. For one thing, the board -- the new board was implemented in violation of Your Honor's order. And so anything the new board is doing, we believe, is void. So we don't agree that any of that actually

happened. But the problem --

THE COURT: Right. It wasn't meant to be a concession. It was just a question of how has the business been operating --

MR. NESSER: That's right.

THE COURT: -- if you assume this did happen a year ago?

MR. NESSER: Yeah. And that's where I was going, Your Honor, which is to say, I think Mr. Solomon answered that question, when he said earlier that the reason why they believed they had to do this is because they needed to show people in the world a share registry in order to do business. Right?

So people with whom you're doing business say, who owns this company? And the entire reason they did this, according to Mr. Solomon, is so that they can tell people that they own the business. But Your Honor, that's the prejudice. That's the impact, because they don't own the business. They don't own the preferred shares, unless and until the arbitration award is confirmed, by virtue of Your Honor's order saying that the arbitration award is stayed.

And this bleeds into another issue. Mr. Solomon kept talking about, well, we're not enforcing, we're not enforcing this; enforcement is a term of art. Your Honor, the stay relief order doesn't say enforce. It doesn't use the word

"enforcement" in that first sentence. It says "the arbitration award shall be stayed".

And when Mr. Solomon tells you that they are changing the share registry precisely so that they can tell people in the world, in the industry, that they've obtained the benefit of this arbitration award that hasn't been confirmed, that's the prejudice. That's the enforcement of the award. That's acting as if the award has not been stayed when it has been.

Just a couple of other things. On the issue of whether the share registry could have been changed in April of 2022 -- I'm sorry. One second, please.

So the other thing was, Mr. Solomon said, well, we have to change the share registry in order to permit Gas to do business. That's what Mr. Solomon said, that we can't do business unless we change the share registry. The problem with that is that the share registry wasn't changed, apparently, purportedly, until February of 2024.

So that means that, for two years, there had been no change to the share registry. Yet, Eletson Gas somehow was able to do business, for two full years, without a change to the share registry. So the notion that, in February of 2024, all of a sudden, the company couldn't run and couldn't operate unless the share registry was changed, is just not accurate, because it had been running for two years without that change.

And if there was a need to make a change like that, we

could have talked about it. They could have raised it with us. They could have raised it with the Court. They didn't. They just went ahead and did it.

And then we hear about, oh, the change to the board and the shares was just a ministerial act. Of course that's not correct. Changing the board of directors of a company is the opposite of a ministerial act. Changing the share registry of a company is not a ministerial act.

Your Honor asked Mr. Curtin, I think, a question about, well, could the shares have been changed? Could the share registry have been updated in April of 2022? And again, I just want to redirect or direct Your Honor, again, to that language in the arbitration award, that I had on the slide earlier, where the arbitrator himself said that the formal transfer of the shares had been stayed. And he said that the share registry changes had not occurred, and that none of those things could happen until the conclusion of some valuation process that, in his view, happened in the arbitration.

So that's what he said. He said there could not have been a change in the share registry, and there was no change in the share registry, because they needed to complete this valuation process. So there couldn't have been a change to the share registry, Your Honor, in April of 2022.

That's not what happened. What happened is they waited two years. You heard it from Mr. Solomon and Mr.

Curtin. They both more or less admitted what happened, which is their client said, oh, okay, now I have a decision from Judge Liman "confirming the award". So I'm going to go ahead and effectuate the award.

But the problem was they made a bad bet. If Judge Liman had issued a judgment in a couple of days, perhaps we'd be having a different conversation. But it's now a year later. There's still no judgment. And you know, the decision that they made a year ago to begin enforcement, notwithstanding Your Honor's order, notwithstanding they didn't have a confirmed award or a judgment, is now where it is.

THE COURT: Just so I'm clear, though, in terms of the adverse impact on the business, what are you alleging?

MR. NESSER: The adverse impact, as I said, is that they're going around the world making representations about what the share registry shows.

THE COURT: No, no, I understand that. I understand, and I understand you disagree with it, and who you think the shareholders are, et cetera. But I'm just asking, are you alleging that the business has been hurt?

MR. NESSER: Well, yes, the business has been hurt, because we believe we should be running the company. We believe we own the preferred shares. We believe we're on the board.

THE COURT: Has the performance of the business been

impacted in the last year since --

MR. NESSER: Yes. Levona --

THE COURT: -- these things may have happened. Okay. Go ahead.

MR. NESSER: Yes. Levona believes that business has been operated in a way that has been detrimental to the business, and that if Levona had been --

THE COURT: So has the performance of the business suffered? I mean, are there metrics you're pointing to, or you're just saying you think you'd be running it better or you think you should be running it? But I'm just asking, to the extent you know, are there assets being removed? Is the business not operating as profitably? Is there harm in the market?

MR. NESSER: Your Honor, I don't know the answers to those questions. We can --

THE COURT: Okay. And I'm not saying that's dispositive. I'm just asking.

MR. NESSER: Yeah, no, I understand Your Honor's questions and appreciate them. But in any event, so the issue that we have is just an effort to change the status quo with regard to what the share registry says, who's on the board, what the resolutions say, and so forth. And we think that's pretty straightforward.

And then I just wanted to close by saying, number one,

there couldn't have been a change in April of 2022, because the arbitrator said there couldn't have been a change in April 2022. The change happened within days of Judge Liman's order, as part of a series of enforcement actions they took at the time. So that's piece of evidence number two, how you know that it's enforcement, because it was part of this bigger enforcement project.

And piece of evidence number three is the actual text of the resolutions, these corporate resolutions, which, if Your Honor looks at them -- again, I can't put them up because they're under seal. But if you look at them, they start by saying we have this award, and we have this confirmed award. Of course, the award was not confirmed. That was a false statement; Judge Liman has since made that clear. But that's what they say. They talk about a confirmed award as the basis for the actions that they were taking.

So again, so you know from April 2022 -- I'm sorry. You know that it didn't happen because the arbitrator told, you it didn't happen by virtue of the timing. And you know it was an enforcement effort by virtue of what they said in the resolutions.

THE COURT: So remind me, the stay relief order obviously was before the award?

MR. NESSER: Yes.

THE COURT: So paragraph 3 talks about appeals. And

of course, we have the proceedings before Judge Liman. And so was there something along the -- in terms of the other proceedings, was there something along the way that limited the proceeding before Judge Liman?

MR. NESSER: No, Your Honor, to the contrary. What happened was they filed before Judge Liman originally -- this is what they called it. They called it a petition to confirm and enforce the arbitration award.

THE COURT: Right.

MR. NESSER: They used those words.

THE COURT: Right.

MR. NESSER: And then, like, I can't remember the timing, but shortly thereafter, they filed an amendment. They went out of their way to file an amendment, and said, we just want to be super clear, because we have this stay relief order issue, the stay relief order prohibits enforcement. And so we want to be clear that we're not seeking enforcement. And so we're amending our petition for the purpose of removing any instance of the word "enforcement".

They literally went out of their way to file a new petition so as to make clear, to Judge Liman and to Your Honor, that that was not an enforcement proceeding. Notwithstanding having done that, Reed Smith has now filed in England a case in which they seek enforcement. They use the word "enforcement". So I don't know how --

THE COURT: Well, I'm asking a different question, which is, assuming, as counsel has stated, I think, that they're not seeking enforcement in those proceedings, or that any enforcement would first come back to this Court. What I'm asking is, was there, at some point, that we limited the proceedings that could happen to the proceeding that's before Judge Liman? Or in other words, are you arguing that the stay relief order precludes another proceeding? And I recognize there may be other reasons why those other proceedings shouldn't go forward. But I'm asking, is the stay relief order limited to what's before Judge Liman? Because I assume you're not objecting to that, and I assume --

MR. NESSER: Correct.

THE COURT: -- they'll partly say, well, these are just other proceedings where we're not seeking enforcement.

MR. NESSER: Your Honor, we have no objection to Judge Liman's -- proceeding before Judge Liman, because they removed "enforcement" from that filing. They removed the word "enforcement" from that filing.

THE COURT: Okay. Understood. That's what I thought. But I'm asking about the other proceedings. If they're not actually seeking enforcement in the other proceedings, do you have an objection?

MR. NESSER: Well, Your Honor, it depends on what you mean by enforcement. So if --

THE COURT: Well, I was using the term that everyone has been using. I'm not purporting to set forth the relief or establish the relief.

MR. NESSER: Yeah.

THE COURT: I'm saying, if those proceedings were on somewhat equal footing, is there an objection to those proceedings?

MR. NESSER: If --

THE COURT: Based on this day relief order. I understand there may be other objections.

MR. NESSER: Right. Yeah. No, and that's perfectly stated, Your Honor. I'll put it this way. If the U.K. filing had been a photocopy of the existing confirmation petition, right? I'm exaggerating, but if the relief that they were seeking in England were framed the same way as the relief that they're seeking from Judge Liman, then we wouldn't be arguing that that was a violation of the stay relief order, but arguing that -- we would be arguing, and I suspect we'll be arguing, that it's improper for other reasons.

THE COURT: Understood. That's what I assumed.

MR. NESSER: Right. But the problem that we have is that they're using the word "enforcement".

THE COURT: No, I understand. And what is your view of counsel's statement about enforcement?

MR. NESSER: Which statement, Your Honor?

THE COURT: Well, I think they've said that they would come back to this Court before there's any enforcement, even if those proceedings continued.

MR. NESSER: Well, I mean, that's what they said, like, a year ago and two years ago, and repeatedly on the record to Your Honor and to the district court. But then they're going around enforcing anyway. They're changing the share registry. That's enforcement. And so we just don't believe them.

THE COURT: Okay. Thank you, Counsel.

MR. ORTIZ: Your Honor?

THE COURT: Does anyone else wish to be heard before I -- well, before I turn it to Mr. Ortiz, did anyone else wish to be heard?

Okay. Mr. Ortiz, go ahead.

MR. ORTIZ: Thank you, Your Honor. Kyle Ortiz, Togut, Segal & Segal, for Eletson Holdings.

I'll try to be brief. Just a couple of points I wanted to reference. Mr. Solomon said that Gas is not one of the assets of Holdings. That's a misnomer. I think there's no dispute the common is an asset. The question is whether the preferred is also part of it. It's not a misnomer. It's the very question this is all about.

I'd also note that Mr. Nesser and I were perfectly consistent. I noted that Mr. Zide said that the possibility of

transfers in the future were referenced and concerned. Mr. Nesser was talking about nobody was aware of the fact that they later alleged that the transfer had already happened and that we first learned of that at the end of April.

I completely agree with Mr. Nesser. It's a little bit ludicrous to say that you needed to change the directors to do business when you've done business for two years without doing that. These ships operated, they were under charter, they were making money. They operated the business.

THE COURT: I guess then, partly, maybe -- maybe someone has addressed this, but so did the operation change? After these changes, in February 2024, to the board members and the share registry, did the operation of the business change from how it had been operating from March 2022 until February 2024?

MR. ORTIZ: Well, Your Honor, I think that part of the issue that we have is we do not know the answer to that question. Part of what happened, at some point, they stopped providing information, despite it being requested by the -- what we thought were then still current board members. I believe those then current board members attempted to hold meetings at different times. And we don't know what's happening.

We don't know if, for instance, Your Honor -- because there's a bankruptcy proceeding. And again, I'm not saying

this happened. I'm saying we don't know what happened. We don't know that -- you know, all of these businesses are related. These Gas ships are then managed by other entities within the structure that are owned by the same people, where they are entering into new management contracts that are sweetheart deals, that were ways to get some of the value out of this enterprise. We have no idea. So part of the concern is we don't know. We don't have the visibility that we would have had otherwise. So it's --

THE COURT: Okay. So at a minimum, the visibility changed.

MR. ORTIZ: Correct.

THE COURT: Okay. Sorry I interrupted you. Go ahead.

MR. ORTIZ: Please, Your Honor. But I just want to briefly note, I don't think it's appropriate to invoke the Honorable Judge Baker. Nobody's saying anything about the Honorable Judge Baker. And trying to cloak all of Reed Smith in His Honor's current position, I just think is inappropriate.

Mr. Solomon keeps saying he's going to come back, but when? And on behalf of who, Your Honor? How are they coming back? They didn't come back for this. We are now Eletson Holdings. So it's a little odd.

I think changing the board is unquestionably taking control. Changing the share registry, as Mr. Nesser started to highlight, also has significant impact, because when you have

counterparties, they're going to ask who's the shareholder. And you show them a share registry. And they'll say those are the people that I'm supposed to listen to.

And the rulings that they have the shares, that's subject to reconsideration for fraud. So even doing that is enforcing before anything is final. And that's important, because the question of whether it was procured by fraud is whether there was no change at all in March 2022, because that was all concocted after the fact, pursuant to fraud. Of course, that hasn't been decided, but that's the question that's still out there that they're saying they're just implementing what already happened.

And I have to just note, Your Honor, the irony of Mr. Solomon claiming that it is a ministerial act to update a share registry. Not the issue for today, but when are they taking the ministerial act of updating the AOR in Liberia and the SME share registries in Greece?

Mr. Curtin is saying that when things aren't going our way -- which, by the way, is news to me -- that things have been resolved by our sanctions motion. It was resolved by his clients being in, today, ongoing contempt. And there's a second motion that we filed because they continue to flatly ignore Your Honor and have brought at least a half a dozen actions attempting to undermine and relitigate things that Your Honor or Judge Liman have already decided.

So I kind of highlighted what we think the adverse consequences are, just the not knowing, the kind of Rumsfeld unknown unknowns.

And I think when you asked Mr. Nesser, does this get in the way of what Judge Liman is doing to have these other proceedings? It's really -- it's an attempt to shortcut Judge Liman and kind of avoid having him be the one that makes the ultimate decision to get -- and this is very similar to what they're trying to trying to do with regard to the confirmation order is to get different rulings in different places to create additional confusion.

THE COURT: No, I understand. I wasn't purporting to address that. I was just raising does the stay relief order itself govern that? I think Mr. Nesser is saying there may be other issues with doing that, but I was raising the specific question about the stay relief order.

MR. ORTIZ: Understood, Your Honor. And I would just -- I would end by highlighting what Mr. Nesser said, which is they're going to come back. They've been saying that, and then these things are happening. You know, actions speak louder than words. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

MR. NESSER: Your Honor, I apologize. There are two points that I should --

THE COURT: Identify yourself for the record.

MR. NESSER: It's Isaac Nesser, at Quinn Emanuel, for Levona.

Just two points that I neglected to make. Number one, Your Honor, asked me, well, what about their promise to come back to the Court? The Cypriots have not promised to come back to the Court. The Cypriots, to the contrary, have been arguing, and argued in their brief, and again today, that they're not bound by the stay relief order. So every indication is that they have no intention of coming back to the Court. They don't consider themselves bound by the stay relief order. That's why the English action doesn't say anything about coming back here.

Number two, on this issue -- I apologize; I've now touched this three times. But on this issue of whether the share registry could have been updated in April of 2022, I cited Your Honor to the arbitrator's holding, right, on that issue.

But I did want to flag Reed Smith's statement about that precise issue in England. And we have -- it's in my declaration, Exhibit 2, at page 90. And what they say there -- this is Reed Smith; this is not me. Reed Smith said: "Eletson Gas' share registry could not be updated until and unless the preferred interests were formally transferred, which was not possible until the clause 3.4 process concluded."

And the 3.4 process, they say elsewhere, concluded in

the arbitration. So that's their own assertion, that the share registry was not permitted to be moved and could not have been moved until after the arbitration. And as we've explained, it couldn't be moved after the arbitration because that's a violation of Your Honor's order.

THE COURT: Thank you, Counsel.

MR. HERMAN: Your Honor, David Herman for the committee, if I could be heard for a minute.

THE COURT: Please.

MR. HERMAN: Thank you, Your Honor. Just really quickly, on the issue of whether things would be different if the foreign actions did not concern enforcement, I just want to point out that the stay relief order itself is not limited to enforcement. In fact, I don't know that it uses the word "enforcement".

What it says in paragraph 4 is that, "No arbitration party shall transfer disposed transactions, or use any such arbitration award, or any asset or property related thereto, absent further order of this court". And of course, we've discussed that in the first sentence of that paragraph, the award is stayed pending further order of the bankruptcy court. So in our view, all of this is contrary --

THE COURT: Right. But my point was that -- well, at least the question was a different one, which is, if any proceeding was similar to the proceeding before Judge Liman, is

there an argument that that proceeding is barred by the stay relief order? Putting aside the terms of art, like confirmation, enforcement, et cetera, if the proceeding that's proceeding before Judge Liman, the same proceeding had been filed elsewhere, is that prohibited by the stay relief order, or is it prohibited by other things, which I think Mr. Nesser is referring to? Are you arguing that it's prohibited by the stay relief order?

MR. HERMAN: In my view, it is, for two reasons. Number one, paragraph 3 provides that, the sole purpose for which the automatic stay is modified, is to permit trial, and any related pre-trial proceedings, and so forth, and any appeal of the arbitration itself. That was the only thing that was permitted.

And then paragraph 4 is what's not permitted. And that includes any use of the arbitration award. So if what's going on is the preferred nominees, or Gas, or whomever, or the provisional board, or whoever Reed Smith and other counsel purport to act for, are using the arbitration award to pursue some release elsewhere, which, as it's reported by Levona, they are -- they're presenting the --

THE COURT: Well, but then are you arguing that what's proceeding before Judge Liman is prohibited by the stay relief order?

MR. HERMAN: It can't be, because in paragraph 3,

appeals are permitted.

THE COURT: Well, my other question was, is there something that limited the appeals to just what's happening before Judge Liman, as opposed to -- in other words, it didn't have to be filed here, I guess, did it?

MR. NESSER: Your Honor, the vacatur petition did need to be filed here.

THE COURT: It did?

MR. NESSER: Yes.

MR. SOLOMON: I'm sorry. The vacatur petition, not --

THE COURT: One at a time. One at a time.

MR. SOLOMON: I'll wait my turn, Your Honor.

THE COURT: Yeah, no problem.

MR. HERMAN: And this is --

THE COURT: Hold on. Let me hear from Mr. Solomon. Go ahead, Mr. Solomon.

MR. SOLOMON: No, they're just trying to mislead you. Your Honor, the appeals, which is not defined under the New York Convention, the motion to confirm, the application to confirm could be made anywhere in the world in a signatory country, which I think is 178 countries, anywhere in the world. Nothing in the automatic stay remotely addresses that, and nothing in Your Honor's stipulation addresses that. If any addressing is done, it's that appeals are permitted, and that includes any place that we make a confirmation request.

But I have a couple of other things to say if Mr. Herman --

THE COURT: Let's let counsel finish first, and then we'll turn back to you.

Sorry. Mr. Nesser or Mr. Herman, or whoever was speaking.

MR. HERMAN: I think I had concluded, Your Honor. I will defer to Mr. Nesser, if he was going to weigh in on that last question.

MR. NESSER: No, Your Honor.

THE COURT: Okay. Thank you.

MR. SOLOMON: Your Honor, this is Lou Solomon for Reed Smith.

If we could possibly remember that this is a serious motion made against Reed Smith and against preferred nominees, and that is all. The number of times that it has been misstated to Your Honor, and it wasn't in their moving papers, complaining about what's happening in London, with the additional confirmation proceeding, when that proceeding, on its face, says the following, which was not given to Your Honor, not today, by Levona, and not in their papers, is that "EG" -- that's Eletson Gas, who's not here -- "accepts that the appropriate course is that no steps should be taken to enforce the JAMS award within this jurisdiction until the conclusion of the confirmation proceedings, confirmation proceedings being

the proceedings before Judge Liman, which include coming back to Your Honor".

So it says that explicitly. So the number of times that Mr. Nesser says, well, if it only said that, then, okay, that is what it says. It can also be clarified if Your Honor wishes. I don't think there's any unclarity to it.

I will be brief that, in September of 2023, Your Honor, Levona launched a major arbitration against Gas in the LCIA. And Your Honor has heard about that for the last year-and-and-a-half. How in the world could they have done that if Your Honor's lift stay order means what they say?

In the LCIA, they are seeking the preferred stock. They are seeking the Symi and the Telendos. They are seeking to control Gas. How could they do any of that if this order means what they say? Obviously the order has to be rendered. But the words have to matter, and I agree with Mr. Curtin there.

And it says that the award is going to be stayed. And for the avoidance of doubt, there's not going to be any transfers and encumbrances and impairments or otherwise. And that is what has not happened. That is why everybody on this call, Your Honor, and everybody in the briefs, over and over again, uses efforts to enforce. That is why they have to try to squeeze changing a share registry into enforcement. And it's completely wrong. Enforcement will be a lawsuit, and a

supplemental proceeding, where you call the sheriff or the marshal and you try to amass assets. And none of that has happened.

And when I say, Your Honor, we will come back, Reed Smith is right here. Reed Smith is being accused of all manner of things. Indeed, Smith is now being accused of actually knowing why Gas did something that we had no involvement in. That was rank speculation. I speculated to Your Honor that, look, it makes sense. If you look at when they did it, in relation to when Judge Liman ruled, okay, that they waited for some comfort to do that, and I speculated it.

But Your Honor, they're speculating. Where is the proof? Where is the clear and convincing evidence that Reed Smith has been a party to contemptuous behavior? It is totally absent. And that is the issue. That is the motion that they have made, and that is why it should be denied.

I'm almost -- I will finish in just one moment. Oh the -- I didn't quote Judge Baker. It's on Mr. Nesser's slide. We didn't brief that at all. But on his slide today, he quotes to you from what Derek Baker said to Your Honor. And then he said he lacked candor and he didn't tell Your Honor the truth. And that is utterly false. He has no basis to say that.

I think I heard today for the first time about what Justice Belen said, and when we could change the share registry and when we couldn't. I think he's misreading that order. But

it's irrelevant. It's completely irrelevant because Gas is not here. It's also irrelevant that, as of 2023, we had the authority, even according to them, to conform the registry to the reality. And so we did it.

If Your Honor wants to get into the business of policing entirely internal acts of a corporation, because that somehow becomes enforcement of an arbitral award, which is akin -- Mr. Herman wants to now say that the automatic stay somehow is implicated by these internal -- I think there's going to be no end to this. And I ask Your Honor to please look at the motion they made and the evidence that they do not have.

I believe I'm done, unless Your Honor has any questions. Thank you.

THE COURT: Thank you, Counsel.

MR. CURTIN: Your Honor, can I just be heard on one point?

THE COURT: Please. Just identify yourself.

MR. CURTIN: Again, William Curtin, Sidley Austin, for the preferred shareholders.

Your Honor asked Mr. Nesser and Mr. Ortiz several times regarding the impact of the change in share registry and the board on the business. Even after multiple attempts, Mr. Nesser was not able to give you any impact. Mr. Ortiz was similarly unsuccessful in his first attempt. And only after

Your Honor raised the question of "visibility", Mr. Ortiz, to his credit, kind of latched on to that.

Your Honor, I bring it back to kind of where I started with the timing of this whole motion, and also, who actually brought the motion? It was not the Togut firm. It was not Mr. Ortiz. And the motion was not brought a year ago; it was brought now.

If there really was an issue of visibility, if there really were any issue at all, Your Honor gets twenty letters in this case a week. You would have heard about it. Clearly, they're just -- they heard Your Honor ask the question, and they're trying to come up with, like good lawyers will do, an answer that would satisfy you.

So Your Honor, I would just close with that, and again, ask Your Honor to deny the motion.

THE COURT: Thank you, Counsel.

Counsel, one quick question. What's the response on the LCIA arbitration point? That's for Mr. --

MR. NESSER: I'm not sure what the -- I don't quite understand why that would be a problem. That was not an effort to enforce the arbitration award. That was an arbitration that we filed.

THE COURT: Well, I guess they're raising the specter of what the impact is of that on either the existing award or the stay relief order.

MR. NESSER: I mean, I'm not sure I understand even what the concern would be. We haven't done anything. We filed an arbitration. And Your Honor, that was an issue that was raised, literally, in November of 2023, in their first sanctions motion against us that they withdrew.

Our view, and we discussed this with Your Honor at the time, is that it was withdrawn with prejudice. Your Honor didn't reach that issue, but that is our view. But I don't -- we just don't really see any issue with that arbitration. We're not seeking to do anything. We're not trying to violate a stay.

THE COURT: What is the status of that arbitration?

MR. NESSER: I'm not fully familiar with it. I know there has been some -- and it's also confidential. So I'm not sure how much I'm permitted to disclose, but I think it's somewhere in progress. There's not been a hearing certainly.

THE COURT: I think they're raising that in paragraph 4. It says, "No arbitration party shall transfer, dispose of", blah blah blah, "the arbitration award or any asset or property related thereto".

MR. NESSER: Right.

THE COURT: So does it involve any asset or property related to the arbitration award?

MR. NESSER: I don't -- it's not our view that filing an arbitration is a use of property. It's a filing of an

arbitration.

THE COURT: Well, paragraph 4 doesn't say use. It says a number of different things.

MR. NESSER: Right. I --

THE COURT: I mean, it's not limited to use. It says --

MR. NESSER: I know that.

THE COURT: -- "dispose of, transact in, hypothecate, encumber, impair any asset or property related thereto".

MR. NESSER: Right. We don't think the arbitration is any of those things. It's not an impairment of assets. It's not an encumbrance of assets. It's none of those things. It's just filing an arbitration.

THE COURT: Okay. Thank you, Counsel.

MR. NESSER: Your Honor, can I just put something on the screen really quickly?

THE COURT: Sure. Maybe --

MR. NESSER: I just --

THE COURT: -- I should reserve until I see what it is, but okay.

MR. NESSER: Yeah. No, this is just Reed Smith's opposition to our brief -- to our motion. And the block quote at the top is the language from the English filing that Mr. Solomon quoted to you a minute ago. And Mr. Solomon said, this is where they explicitly say -- he used the word "explicitly".

Mr. Solomon said this is where they explicitly promise to come back to the bankruptcy court before enforcement.

I mean, Your Honor, read the words. I don't know how, in good faith, anyone could say that. It literally says -- it's closer to saying the opposite. It says, "Although Eletson Gas is entitled to enforcement and is not a party to the lift stay order, Eletson Gas accepts that the appropriate course is that no steps should be taken to enforce the award, within this jurisdiction" -- by the way, only within this jurisdiction of England; they're not making any representation about things they're doing elsewhere, right? "No steps should be taken to enforce, within this jurisdiction of England, until conclusion of the confirmation proceedings" -- that's Judge Liman -- "and without further leave of this Court".

Nowhere in that sentence do they say anything at all, anything about coming back to the bankruptcy court, to Your Honor's court. They say they're going to go back to Judge Liman. They don't even say they're going to go back to Judge Liman. They're going to wait for Judge Liman. But literally this sentence, what it says is that, as soon as Judge Liman issues a judgment, they're going to take steps to enforce the award.

So I don't -- and I don't think I'm interpreting there. I think that's just what the words say. And this is why we're concerned. Because we have Eletson Gas running

around the world, enforcing, saying we're not bound by the stay relief order, because we weren't an arbitration party, and then making these kinds of equivocal comments that are not actually all that equivocal. They say they're going to not wait for the Court. And then Mr. Solomon comes in and says, well, actually, it means the opposite. So that's all I had on that.

THE COURT: Thank you, Counsel.

Anyone else wish to be heard?

Okay. The Court will take the matter under advisement.

MR. NESSER: Thank you, Your Honor.

THE COURT: Thank you, Counsel. Anything else for today?

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz of Togut, Segal & Segal, for Eletson Holdings.

I do have a couple things, unfortunately. I'll try to go through them quickly, if it's okay with Your Honor.

THE COURT: Yes.

MR. ORTIZ: The first is we did submit a revised proposed foreign rep order. And I do realize that we inadvertently left off the redline, and that didn't get sent to you until last night. So it may be hard to look at it just yet.

But I do think their arguments against modification are essentially identical to the arguments concerning authority

that Your Honor and Judge Liman have rejected time and time again. And I think it's important to get it updated because they're actively using its limited force to say that Your Honor expressly reserves their right to oppose recognition, a right they don't have. Indeed, that's something they're enjoined from doing.

We've been hearing from third parties in Germany and the U.K., among other places, that the old owners are telling them your order has no effect until recognition in those jurisdictions now. We also saw them making regular reference to the Marshall Islands in some of their latest filings in foreign courts.

So we think this can be kind of an endless moving target, and we shouldn't have to come back one country at a time. It's all kind of an absurd and expensive exercise that could end overnight if they just followed your orders. But it's where we are, and it'd be helpful if the foreign rep order was not limited, but rather matched the language in the Code, which essentially says, in Section 1505, "may act in any way permitted by the applicable foreign law" and has no limitations on jurisdictions.

I think it would be really helpful, Your Honor, if the order clarified that it does not permit parties to appear and act inconsistent with the plan and the confirmation order. Again, I know Mr. Solomon thinks that we had some sort of pinky

promise about recognition, where we would go and give them additional opportunities to re-argue long-ago settled issues, but recognition is not necessary without their violations, and they're bound to support. And they're actually weaponizing this foreign rep order in the language that they asked for, Your Honor. And it is clear now that they have a specific plan around asking for the inclusion of such language so they could use it to attempt to undermine the plan in foreign jurisdictions.

And for instance, Your Honor, I don't expect that you've had the opportunity to read everything that's been put in front of you -- it's such a barrage of late -- but we filed their latest injunctive action, seeking an injunction on the enforcement of your order. And they state in that, among other things, Your Honor, "The opposing parties blatantly violate" -- the opposing parties, meaning my clients -- "blatantly violate the 2012, 2024 decision of the same Judge Mastando" -- meaning the foreign rep order.

They're saying we're blatantly violating the foreign rep order "by which the only authority given to Adam Spears in a jurisdiction outside the U.S. 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".

So they're using the language in the current order as an effort to get around their obligations to aid in implementation and the injunction on interference with the plan. They are telling courts, Your Honor, basically, that you specifically, Your Honor, authorized and did not limit, in any way, parties from opposing recognition.

This is just unethical gamesmanship. And we respectfully request Your Honor to put a stop to such games, and modify the order as requested, so it can no longer be used for the very opposite of its purpose by parties in violation of this Court's order. Thank you, Your Honor.

THE COURT: Thank you.

MR. SOLOMON: Your Honor, this is Lou Solomon. I am here on behalf of Reed Smith today. That's the only party I'm here on behalf of. But there was a time when we were representing one of the -- Eletson.

And the part that I know about what Mr. Ortiz is saying is completely false. What his client is trying to do is go around the world and masquerade not as Holdings but as Gas. And in Germany, they blocked Gas bank accounts, and they've arrested Gas ships. And that's an improper -- that is an abuse of the bankruptcy order.

And when Your Honor then granted -- and I was part of the party at that point -- when Your Honor granted that foreign rep order, it was to seek recognition. That is right, and that

is all. And if Your Honor is going to consider expanding that, then I believe Your Honor needs to hear from counsel on that subject. I am not that counsel.

I will tell Your Honor that our former client has asked to try to find counsel. It's quite hard, I will tell Your Honor, honestly, because every time there's counsel, they get accused of violating a U.S. court order. And it's no surprise that nobody wants to come in for that.

And as I said in one of my letters to Your Honor, when we limited -- when Reed Smith was required to limit its representation, if Your Honor would declare that parties can come in to Your honor's court and make arguments as counsel, and they're not going to be accused of violating Your Honor's order, I think if Your Honor would simply clarify that that absolutely, sort of, unpardonable violation of due process will not be tolerated in Your Honor's court, then I think Your Honor should hear what they are doing and why this modification of this order should not be granted.

But that's as far as I can go, because I -- because the party they're up against here doesn't have counsel present today. There's no counsel. They're trying to find new counsel.

THE COURT: Okay. Thank you, Counsel.

MR. CURTIN: And Your Honor, William Curtin from Sidley Austin, just here making an observation.

The facts that Mr. Ortiz brings up -- obviously, this is not on the agenda for today -- they're part of the motion that's on, I believe, for the 12th. So Your Honor, parties that either are here or are not here should at least have an opportunity to respond to those allegations on the time frame that the Court has set, which, again, calls for a hearing on the 12th, not today.

THE COURT: Thank you, Counsel.

MR. ORTIZ: Your Honor, Kyle Ortiz of Togut, Segal & Segal, for Eletson Holdings.

I'll kind of use what Mr. Curtin said as a segue as well. But look, they can't say they're not here. This motion was filed a long time ago. We had the right to come back. If they're having trouble finding counsel, maybe they should stop violating court orders and find counsel that will inform them of their obligations under this Court's orders.

It is undeniable that they are using this order to go other places and say that they are allowed to, and specifically authorized by you, Your Honor, to contest recognition. And neither of the counsel who just spoke will say that they aren't -- that their former clients, current clients, maybe clients, whoever they are, aren't actively currently, in many ways, trying to undermine your order and oppose recognition in a very obvious violation of Your Honor's orders.

So yes, we have another motion on for the 12th. Part

of what I wanted to do today was see if there's any possibility in moving that up, because there's a hearing now, the very next day, seeking to put our clients in some sort of criminal contempt, or to be sanctioned and incarcerated in Greece for literally attempting to effectuate the orders of the Court.

And it sounds like Mr. Solomon is getting ready to argue that on behalf of who, Your Honor. But in any event, we think a good start would be able to not have the order be used and misused in a way that it is being claimed as a workaround of the injunctive and the 1142 requirement to implement a plan by saying here, the judge said we can show up and oppose. It's problematic. So that's why we want that to be done. And again, the Bankruptcy Code itself limits that authority only to what is the limits in the actual foreign jurisdictions.

MR. SOLOMON: Your Honor, Lou Solomon for Reed Smith.

All I did was read what he submitted to Your Honor. And he's misstating that. The proceeding that he's actually referring to is one that seeks an injunction. It has nothing to do with Your Honor's bankruptcy order. I mean, I read it. Your Honor can read it. It has to do with improper conduct that Eletson Holdings is now using, misusing this Court's bankruptcy to masquerade as something it is not.

It does not control Gas. It can't arrest Gas ships, and it can't block Gas bank accounts. Yet it is doing that. And so it would make sense for a party to go and seek a court

to intervene. It's better than shooting rifles back and forth. I continue to believe that a hearing like this, where Your Honor does not have counsel representing the party to be able to respond, is improper, and Your Honor should not tolerate it.

THE COURT: Thank you, Counsel.

Okay. Mr. Ortiz, is there something else you want to discuss about the scheduling?

MR. ORTIZ: Yeah. I just wanted to -- part of what we were saying is that this proceeding that we were just talking about is currently scheduled for March 13th. Our hearing on the sanctions motion, to try to get them to stop taking actions that are in direct contravention of your orders, is set for March 12th.

And of course, I'm not pre-judging that motion, although it's going to be a lot of the same arguments you've heard before on both sides. But in any event, we have a concern about, if Your Honor -- and again, not prejudging -- were to grant some relief that day, that it would be impossible to have effective relief in time to have any impact on the 13th, particularly when, I would note, the coercive sanctions to date haven't coerced anybody.

So there would need to be some sort of strength to what comes down and if that's possible to be done in a day. So we were seeing if there might be any earlier dates. Obviously, if that doesn't work for Your Honor, we're happy to jam

ourselves in replies. But I realize that there's also a court and clerks and Your Honor that need to read things. So we certainly don't want to be jamming Your Honor. But to the extent that there's any way to move that up, we would respectfully request that we do that.

THE COURT: I'm going to deny the request to move up the hearing. But what did you want to alter on the scheduling?

MR. ORTIZ: Well, if we're not moving the hearing, Your Honor, I don't think there's anything we need to alter on the scheduling.

THE COURT: I thought there was something you wanted to submit further?

MR. ORTIZ: Oh, yeah. We did want to submit just a revised proposed order that makes clear that this particular proceeding, this injunctive proceeding, is covered by -- I don't necessarily think it's necessary, because the order itself was broad that it was kind of all actions that are contrary to their obligations under the plan.

But because of the, kind of, severity of this new action, we wanted to just make it clear that that was covered, because we didn't, of course, speak to it, because we weren't aware of it when we filed the motion.

So that's really all we wanted to do is just make the revised proposed order clear that it also applies to this particular action.

THE COURT: Okay. And when are you going to submit that?

MR. ORTIZ: I think we could submit that either today or tomorrow at the latest. I mean, it's really just adding a line. It shouldn't be hard. We could probably do it today.

THE COURT: Okay.

MR. ORTIZ: They're probably scrambling, like, why did he say that? But we can do it today.

MR. SOLOMON: Your Honor, Reed Smith should be removed from that -- this is Lou Solomon for Reed Smith.

Reed Smith should be removed from that motion. There's no -- they cite no basis to assert that we have anything to do with it. If we are going to remain in that motion, we want an opportunity to be able to respond. And I again implore Your Honor to please consider that the parties here need counsel, and cannot get it, because of these constant threats that are improper.

MR. ORTIZ: Your Honor, just quickly on that, our threats, supposedly threats, improper, you entered an order saying that certain folks are in contempt. And so I don't think that --

MR. SOLOMON: No lawyers -- and no lawyers --

THE COURT: Counsel, one at a time. And you have to identify yourself for the record.

MR. SOLOMON: Excuse me. This is Lou Solomon.

Your Honor, you did not enter any order against Reed Smith, or against Sidley, or against any law firm. And in light of that, I think we should allow the lawyers that -- Your Honor has many tools at Your Honor's disposal. If counsel acts inappropriately, or says something false, or anything like that -- and we're not asking Your Honor to not pursue any of that. But the fact that we are having trouble getting counsel to be able to make arguments to Your Honor, because they're being accused, and it's so easy for them just to file another sanctions motion against the law firm, that is what is inhibiting, not only the representation of a client, but I think, due process. And that is what we are asking to be clarified, not any of Your Honor's other powers.

THE COURT: Okay. Well, I denied the request to change the hearing date, so we'll keep the same briefing schedule. And we'll go forward as set forth in the Court's previous orders. But I'm not ruling on any substantive issues about who's in the motion or not. I mean, that we'll deal with in the context of the motion.

MR. SOLOMON: Thank you, Your Honor.

MR. ORTIZ: Thank you, Your Honor. Kyle Ortiz of Togut, Segal & Segal, for Eletson Holdings.

Your Honor, we filed a case closing and caption change motion, back in November, at docket 1265. That motion did two things. It was to remove the two debtors that have now been

disappeared, by operation of the plan, and to change the caption to make it reflect the reorganized entity.

The reason I'm raising this now, although it seems like a relatively ministerial and not that important motion, is that part of what that does is changes the footnote on the debtors' address. And some of what they are arguing in their opposition to recognition is that the footnote on all of these pleadings is a Greek address, and therefore COMI is in Greece. And they're trying to make that out to be a dispositive thing.

So I know that's a motion that's been on your desk for a while and probably not a not a priority. But to the extent it's something the Court can get to, it would be appreciated, Your Honor.

THE COURT: Was there any opposition or response?

MR. ORTIZ: No. We submitted an order, I believe, in November.

THE COURT: Okay. Why don't you resubmit the order with an updated date, and we'll take a look.

MR. ORTIZ: We'll do so. Thank you, Your Honor.

And then finally, I think all parties, pursuant to the various letters that were filed, are of the view that we don't necessarily need any witnesses on the stay pending appeal motion, and that, I believe, and maybe we'll actually agree for once, is that everybody believes that that could be considered submitted.

THE COURT: That was my understanding. But does anyone disagree?

Okay. Hearing no one, I will assume that's agreement, and we'll consider it submitted.

MR. ORTIZ: Thank you, Your Honor. I think I got through my list.

THE COURT: Okay. Anything else for today?

MR. NESSER: No, Your Honor. Thank you.

THE COURT: Okay. Thank you, everyone. We're adjourned. Have a great day. Thank you.

(Whereupon these proceedings were concluded at 11:29 AM)

C E R T I F I C A T I O N

I, Sharona Shapiro, certify that the foregoing transcript is a true and accurate record of the proceedings.

Sharona Shapiro (CET-492)
AAERT Certified Electronic Transcriber

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Date: March 4, 2025

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EXHIBIT “5”

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

March 25, 2025

11:03 AM

B E F O R E:

HON. JOHN P. MASTANDO, III

U.S. BANKRUPTCY JUDGE

ECRO: MARIA

Motion to Withdraw as Attorney /Motion of Reed Smith LLP to Withdraw Its Limited Representation of Provisional Holdings

Order signed on 3/20/2025 Re: Letter Regarding the Order in Further Support of Confirmation and Consummation of the Court-Approved Plan of Reorganization. (related document(s)1539, 1547, 1548) with hearing to be held on 3/25/2025 at 11:00 AM at Videoconference (ZoomGov) (JPM) (Rodriguez-Castillo, Maria) Notice of Hearing on Motion of Sidley Austin LLP to Withdraw as Counsel to the Majority Shareholders of Eletson Holdings Inc. and the Preferred Shareholders

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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. Can I have appearances for the record, please?

MR. ORTIZ: Kyle Ortiz, Togut, Segal & Segal for Eletson Holdings, joined on the line 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. CURTIN: Good morning, Your Honor. William Curtin, Sidley Austin for the majority shareholders. Your Honor, if I may just by way of introduction, Mr. Frank Catalina is on the line. We filed a notice of substitution of counsel. I know we have our motion to withdraw on today, but I just want to introduce Mr. Catalina, who is new counsel for the majority shareholders.

THE COURT: Thank you.

Good morning, Mr. Catalina.

MR. CATALINA: Good morning, Your Honor. Frank Catalina, substitute counsel for the majority shareholders with Rolnick Kramer Sadighi.

THE COURT: Good morning.

MR. SOLOMON: And good morning, Your Honor. Lou Solomon for Reed Smith.

THE COURT: Good morning.

Anyone else wishing to appear? Okay. Let me just begin by addressing some of the issues raised in the letters. The letters were submitted at docket numbers 1539, 1547 and 1548. As to the issues raised in the letters, the Court denies the request for relief related to the March 13th order of the Court, which is found at docket 1537.

First, the Court notes that the March 13th order specifically incorporates by reference the March 12th bench ruling. And thus, no edit or revision is necessary to the March 13th order regarding any of the rulings in the March 12th bench ruling.

Second, as to the Greek arbitration proceeding, which is listed as Exhibit 1 to the March 13th order, the Court finds as follows: In the what we've called the confirmation order, which is found at docket number 1223, Section 5-1 states, quote, "The debtors, Reorganized Holdings and the petitioning creditors, as applicable, shall be and are hereby authorized and empowered to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents, and take such actions as are necessary or appropriate to consummate, parenthetical, including in

anticipation of consummation, close parenthetical, the plan and the transactions contemplated therein, including the issuance of any equity interests in connection with the plan. 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's a quote from Section 5-1.

And then Section 5-3 states, quote, "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."

And then paragraph 7 of the confirmation order states, quote, "On the effective date pursuant to Section 5.2 C of the plan and Sections 11-41 B and C of the Bankruptcy Code, all property of each of the debtor's estates, including all retained causes of action and any property acquired by any of the debtors, including interests held by the debtors in their respective nondebtor, direct and indirect, subsidiaries and affiliates, shall vest and Reorganized Holdings free and clear of all claims, liens, conferences, charges, and other interests, except as may be provided pursuant to the plan or the confirmation order," close quote.

And then paragraph 12 provides, "Upon entry of this

confirmation order, 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 shall be enjoined from taking any actions to interfere with the implementation or consummation of the plan, or interfering with any distributions and payments contemplated by the plan", close quote. That's paragraph 12.

As this Court has noted several times and the District Court as well, the confirmation order is not stayed. Further, in the Court's January 29th, 2025 order, which is found in Docket 1402, paragraph 1 on page 3, states, quote, "Pursuant to Section 1142 of the Bankruptcy Code, the debtors and their related parties as defined therein, including, without limitation, the ordered parties, are authorized, required, and directed to comply with the confirmation order and the plan to assist in effectuating implementing and consummating the terms thereof", close quote.

And then paragraph 2 goes on to state, quote, "The debtors and the related parties, including, without limitation, the ordered parties, are authorized, required, and directed to take all steps reasonably necessary, as requested by Holdings, to unconditionally support the effectuation, implementation and consummation of the plan," close quote. And then there are ellipses continuing that quote.

And then in the March 13th order, again found in

docket 1537, the Court found in paragraph number 1 on page 3, "The violating parties, as applicable, 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, including, without limitation, filings in the Liberian proceedings and the Greek proceedings set forth in Exhibit 1", close quote, which is attached to the March 13th order.

And then in paragraph number 2, quote, "The violating parties, as applicable, 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 actions that seek to impose or undermine the confirmation order", close quote. That, again, is from docket number 1537.

Thus, the Court finds to the to the extent that Eletson Gas is acting without the consent of Reorganized Holdings, because the interests in the subsidiaries, including Eletson Gas, vested in Reorganized Holdings. The Greek arbitration proceeding violates the plan, the confirmation order, the January 29th order, and the March 13th order, and that proceeding is properly included in the March 13th order.

Also, the Court notes that it is not clear that Reed Smith has standing to raise any issues related to Eletson Gas, which it does not purport to represent here, and it is not

clear whether Eletson Gas would agree with any of the positions set forth by Reed Smith.

Okay. That resolves the issues raised in the letters. Now, let's turn to the motion to withdraw.

MR. CURTIN: Thank you, Your Honor. Again, William Curtin, Sidley Austin. So Your Honor, before the Court is Sidley's motion to withdraw as counsel for the majority shareholders and the preferred nominees. Your Honor, we filed the motion. We got an objection from the Togut firm. We filed a reply to that objection.

As we set out, we were attempting to have the clients retain substitute counsel. They diligently proceeded and did, in fact, retain substitute counsel who's on the line today. And Your Honor, the withdrawal is appropriate for really three reasons under the New York Rules of Professional Conduct.

The client, of course, has consented to the withdrawal. And there is substitute counsel in place, so there will be no material adverse effect on the interest of the client. In addition, the withdrawal will not affect the timing of the proceedings. Your Honor, there is substitute counsel in place. They are on the hearing.

There are no -- you know, and obviously we tried to time this as such. There aren't -- there's nothing pending to be filed or done in this Court. And finally, with regard to funds, we are not holding a retainer. So there's no issue

there.

I don't believe that there's a real remaining objection as to our withdrawal. I think the dispute today has to do with the order. So just very quickly you know, we are seeking withdrawal. There's substitute counsel in place. We also withdrew in the District Court proceedings, Your Honor. And we had a hearing before Judge Liman on Friday afternoon. In that proceeding, there actually is a pleading that's due -- was due on Monday and now is due next Monday, the 31st.

So what Judge Liman did with that motion --

THE COURT: Is the proceeding related to the appeal? Sorry to interrupt.

MR. CURTIN: Correct, Your Honor. It's a response to the motion. It's the response to the motion to dismiss the appeal.

And so what Judge Liman did was essentially hold the -- state he was going to grant the motion, but hold it in abeyance pending the filing of that opposition, which will be filed on Monday the 31st, and then the withdrawal will be granted. I think Togut is going to request similar language here. We don't think it's appropriate here because there's nothing to tie it to. There's nothing that needs to be filed.

We agreed to that language in District Court, of course, because it made sense. You know, there was a short one-week extension of the deadline. Counsel committed to get

it filed on Monday and we had no issue with that. There's nothing here to tie that time to.

The other issue that I'm aware of on the order, Your Honor, is that the -- that Togut is going to request language essentially reserving rights for actions to be filed against Sidley. Your Honor, we've been, I'll call it, peripherally raised in some of the, I guess, the two most recent sanctions motions. There is absolutely no basis for anything. And nobody has actually said what they think we did. And that's because there is nothing, there is no there there, Your Honor. And it's not even a close call.

There shouldn't be language to that effect in the order. The parties rights are what they are. And it's just unnecessary language that doesn't belong in a withdrawal order. So with that, Your Honor, I'll cede the podium. Again, substitute counsel is in place. We filed the notice of substitution and would ask that Your Honor grant the withdrawal.

THE COURT: Thank you, Counsel. What about the issue of the preferred nominees?

MR. CURTIN: It's for the preferred nominees also, Your Honor.

THE COURT: No, I understand that, but who's going to be representing them going forward?

MR. CURTIN: Substitute counsel is also going to be

representing the preferred nominees, Your Honor.

THE COURT: Okay. Thank you, Counsel.

Would anyone else like to be heard?

MR. ORTIZ: Briefly, if I may, Your Honor, Kyle Ortiz of Togut, Segal & Segal for Eletson Holdings.

THE COURT: Please.

MR. ORTIZ: Your Honor, Mr. Curtin is right. I think we are, for all intents and purposes, resolved. We wanted to make sure there was replacement counsel as, you know, service has obviously been an issue. So we're very happy to see that replacement counsel has been located. I see that they're actually located one floor up from us in this building, so we're going to have to whisper going forward.

But we asked them to include a reservation of rights, as Mr. Curtin noted, on any potential claims in the order. They didn't want to do that. And ultimately, frankly, Your Honor rights are rights. You don't really need to reserve them. I always find reservations of rights to be a little silly. So I think it can be resolved by us just saying on the record that entry of this order doesn't waive any of our rights to bring claims, if any should be warranted.

And to be fair to Mr. Curtin, to be clear, as of today, I'm not aware of any. But we will, at some point, it seems likely obtain the client file from Reed Smith. And who knows what's in there? Again, absolutely no reason to suspect

Sidley. This has been a very weird case, Your Honor. So we aren't waiving anything we don't know.

We also thought it was important to clarify the withdrawal applied to the preferred nominees, so appreciate Your Honor addressing that. And it's good to know that the replacement counsel is also replacing for the preferred nominees. They can figure out for themselves whether that creates any creates any conflicts.

And then the last thing is, on the order, there's a footnote. And that footnote needs to be updated because it's the same footnote with the address for the debtors. And you know, people continue to play games with this footnote. I don't think Sidley did this intentionally. I think they just took the form they had. But Reed Smith, just yesterday, in its response to the motion to dismiss, argued to the Court that you recognized to Eletson Holdings, pointing to that footnote that we addressed, and you updated the order on recently.

So I think it's very important just that whatever order is entered has the current footnote with the current address and not the old address as that continues to be misused. And with that, I think, Your Honor, we would be -- we don't have any issues and the order could be entered.

THE COURT: Okay.

MR. CURTIN: Your Honor --

THE COURT: Yeah --

MR. CURTIN: -- just --

THE COURT: Yeah, just before we move on.

So maybe you could just submit an order for the Court to consider based on where the parties are currently saying they are, including things like the footnote, et cetera. I understand your comments, but I want to just make sure I have whatever everyone thinks is the latest version of an order to consider.

MR. CATALINA: Your Honor --

MR. CURTIN: Yes, Your Honor. I think the only change to the order will be the footnote. But -- and I agree with Mr. Ortiz, we'll remove the footnote or alter the footnote.

THE COURT: Did anyone else wish to be heard?

MR. CATALINA: Your Honor, if I may?

THE COURT: Please.

MR. CATALINA: Yeah. I just wanted to address one thing. At this time, we've been retained by the former majority shareholders, so Lassia Investment Company, Glafkos Trust Company, and Family Unity Trust Company. As far as the preferred nominees, to the extent that they're, you know, separate parties, we have not been retained by them --

THE COURT: Okay.

MR. CATALINA: -- at this time.

THE COURT: Well, that's why I asked. And they are subject to a sanctions motion that is pending before me.

MR. CATALINA: I just wanted to clarify that for the Court. We don't have any engagement by any parties other than the three that I just mentioned.

THE COURT: Okay. Do you think that will be forthcoming?

MR. CATALINA: I can't make that representation right now. I don't know that to be the case. I can't make a representation right now that they are retaining us.

THE COURT: Okay. Understood.

MR. ORTIZ: Your Honor, if I may. Kyle Ortiz for Togut, Segal for Eletson Holdings. So that undid a little bit of the comfort that was created earlier in the hearing. So we don't think that Sidley should be allowed to withdraw for the nominees until there's a replacement counsel. Certainly for the preferred, because there is replacement counsel. But you know, it sounds like it might be something that can get clarified relatively short order. But we certainly don't want anyone to be unrepresented, particularly in light of arguments that have been made around service, and you know, folks kind of retreating to foreign countries, Your Honor.

THE COURT: Thank you.

MR. CURTIN: Your Honor --

THE COURT: Mr. Curtin, before I turn it back to you, let me let me just see if anyone else wants to be heard perhaps. And then I'll turn it back to you.

Did anyone else wish to be heard before I turn it back to Mr. Curtin?

Okay, Counsel.

MR. CURTIN: Thank you, Your Honor, I apologize. That was apparently a misunderstanding on my part. So what I would suggest is I don't think we need another hearing. Can we file the -- or I guess, file a revised notice of substitution once counsel for the preferred nominees is in place. And at that point, then we'll submit the order?

THE COURT: Yeah. Why don't -- I think that makes sense? You know, perhaps the parties should consult and see where they are. And if they're able to work out the issues with Counsel for the majority, the former majority shareholders and the preferred nominees, and then submit a revised substitution order and a revised order on the withdrawal, accounting for both that and the other comments that we've heard from Counsel, which sound like they're largely agreed. But we'll see what we get once it's filed.

And once it's submitted, just indicate to what extent the parties are in agreement or not. And hopefully, as Counsel indicated, there won't be a need for a further hearing.

MR. CURTIN: Your Honor, I apologize, but it's just the nature of this case. Can we just get on the record that the only issue with the order now is the footnote, and we'll fix that?

THE COURT: It sounds like the only issue is the footnote. And then counsel for the preferred nominees.

MR. CURTIN: Okay. Thank you, Your Honor.

THE COURT: Counsel, is that correct?

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz with Togut, Segal & Segal for Eletson Holdings. Yes. I mean, we made our reservation on the record. I think that's sufficient. We just need the footnote updated and obviously a replacement counsel for the preferred nominees. And then I think we are resolved.

THE COURT: Okay. So let's see if we can get that as submitted as soon as the parties can reach agreement. And if there's largely agreement, we can get that entered. And if there's any issue that the Court thinks needs to be addressed, we can set something briefly to address it.

MR. CURTIN: Thank you very much, Your Honor. And just as my first time before you, I know it's been a crazy case, but I appreciate the way it was handled. And it was a pleasure to appear before you.

THE COURT: Thank you, Counsel. Appreciate having you appear before the Court.

Anything else for today?

MR. ORTIZ: Your Honor, Kyle Ortiz with Togut, Segal & Segal for Eletson Holdings. I'm happy to provide a brief update for Your Honor on the various proceedings going on,

although you may also not want that to not open up a whole bunch of back and forth. So if you'd like an update on some of the forum proceedings, happy to provide it. If you think you've got that sufficiently through the letters, I'm also happy to let you have the rest of your morning.

THE COURT: I think I've probably gotten it sufficiently. But since we have everyone, I'll give you five minutes, and then anyone else who wishes to be heard five minutes, and we'll limit it to that.

MR. ORTIZ: To keep it well under five minutes, Your Honor. I think as noted last week, despite really no effort by the former owners to comply with your February 27th order and update the AOR, LISCR updated the AOR itself based on the contempt order that was filed last week by the old owners, I think you saw in one of the letters, including the majority shareholders and an entity calling itself Eletson Holdings, in violation of both the February 27th order and the March 13th order, instituting a brand new proceeding in Liberia to undo the AOR chart change that they were bound by this Court to effectuate in the first place.

I think that does sort of highlight the absurdity of their earlier arguments that they were stuck between a rock and a hard place because it would allegedly be illegal to update the AOR because they had essentially a Good Samaritan come along and remove that rock, and now they're suing to have it

put back on them. A preliminary hearing on that matter, we understood, took place yesterday. We're not aware of anything coming out of that yet.

On the Greek front, Your Honor ,they have not withdrawn any of the proceedings and continue to press arguments concerning lack of jurisdiction. I was actually in the courtroom in Greece last Wednesday, which is why I missed the hearing last Monday. I was on a plane because I was called as a witness and saw them in person continue to press these arguments firsthand. I also saw in person Ms. Karastamati testify on behalf of the former owners despite claiming to have no involvement any longer.

So Your Honor, now, today, a full, as of today, five months from your confirmation decision, millions more in legal fees, tens of thousands of dollars in sanctions later, and we're barely any closer to obtaining control because of this unique level of obstruction and vexation. We're also, as Your Honor is aware, dealing with appeals of each of Your Honor's orders including, again, Reed Smith appealing the March 13th order on behalf of provisional holdings after claiming not to represent them during that proceeding, which is a little confusing to us.

And they filed a response to the motion to dismiss their appeal of the January 29th order yesterday, making again the same exact arguments about there being two Eletsons. In

foreign law, they have been rejected by either this Court or the District Court now, by my count, ten times which is kind of redefining the concept of vexatious litigation. So I don't expect those to gain much traction with the District Court.

There's even an appeal of the revised foreign rep order by the former majority shareholders who didn't object to it. We believe these appeals are frivolous. But I will note, for Your Honor, they are strategically frivolous in that they are continuing to use them overseas to argue that they aren't bound and that nothing is final here, so that these things don't bind them overseas. Which, of course, ignores countless on stay binding orders at this point.

So what that means, Your Honor, is that we will unfortunately be bringing additional motions to help with enforcement of the plan. Before anyone jumps up and calls those threats, it's not because we're threatening people. It's because they continue to openly defy and actively seek to undermine the Court's orders. So folks can shout whatever they want, accuse us of whatever made up things, but I do think actions speak louder than words.

And critically, Your Honor, this could all stop. It could all stop immediately. It could stop if they just respected the rule of law and honored the Court's orders. And also, I just note, for Your Honor, that the District Court, we filed a letter this morning, did deny the stay pending appeal

on the client file. So we're going to discuss internally whether that means we can kind of push forward with the Reed Smith fee app and try to get that finalized. And that's the status of the world from our perspective, Your Honor. Thank you for the time.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard?

MR. SOLOMON: Your Honor, this is Lou Solomon for Reed Smith. I can't be heard, because if I'm heard, then I'm going to be accused of undermining this Court's order. It's a gag order of a serious nature. And I'm hearing Mr. Ortiz again say that parties should be punished for taking appeals which is completely improper.

His recitation of what went on in Liberia, as best -- we're not involved. But I did see an order, a preliminary, a provisional order, telling them to put back an illegally changed AOR, and they didn't do that.

And the counsel for LISCR is the same counsel for Reorganized Holdings who appeared before Your Honor. And so whatever goes on there brings to new levels the idea that, I mean, they are counsel actually for both parties and they are not doing anything. I'm actually not -- listen, Your Honor, I'm feeling quite gagged.

I have -- I'm going to have to read the transcript of what Your Honor just said about Gas. I don't think Gas is --

was a debtor. Gas is not controlled by Reorganized Holdings at all, as Your Honor knows. Justice Belen determined that Gas is controlled by the Preferred. Reorganized Holdings does not control the Preferred at all. And so we sought a clarification. And I'm not -- I'm just not sure -- I need to read what Your Honor said in the transcript to see whether we received that clarification.

But we are very concerned that the creditors here are taking a bankruptcy and are abusing it and misusing it and extending it to where, I think Your Honor, with a full understanding of the facts, would never extend it to affiliates who are definitely not controlled, who have been found, after an arbitration, to have not been controlled by Holdings. And so I -- there is more I would like to say. I'm afraid that we can't because of the -- because of the threats and the gag order. So thank you, Your Honor.

THE COURT: Thank you, Counsel.

Does anyone else wish to be heard?

Okay. Well, thank you again to Mr. Curtin and his team from Sidley for appearing.

And we will be adjourned. And I'll look for that order to be submitted, hopefully in an agreed form, by the parties. We're adjourned.

Thank you everyone.

UNIDENTIFIED SPEAKER: Thank you.

THE COURT: Have a great day. Thank you.

MR. ORTIZ: Thank you, Your Honor.

(Whereupon these proceedings were concluded at 11:30 AM)

C E R T I F I C A T I O N

I, Valerie Baxter, certify that the foregoing transcript is a true and accurate record of the proceedings.

_____

Valerie Baxter (CDLT-346)

TTA-Certified Digital Legal Transcriber

eScribers

7227 North 16th Street, Suite #207

Phoenix, AZ 85020

Date: March 25, 2025

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T

EXHIBIT “6”

ReedSmith

Driving progress
through partnership

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March 25, 2025

Via ECF

Catherine O'Hagan Wolfe, Clerk of the Court
United States Court of Appeals for
the Second Circuit
Thurgood Marshall U.S. Courthouse
40 Foley Square
New York, New York 10007

Re: Scheduling Request in *In Re: Eletson Holdings Inc.*, No. 25-176

Dear Ms. O'Hagan Wolfe:

On behalf of Appellant Eletson Holdings, Inc. in No. 25-176, we write pursuant to Local Rule 31.2(a)(1)(A) to request that the deadline for the Appellant's opening brief in the above-referenced appeal be set as June 9, 2025. We are submitting a separate, parallel scheduling request on behalf of Appellant Reed Smith LLP in No. 25-445, which this Court has directed will be heard in tandem with the above-referenced appeal. (Doc. 16)

As noted in the scheduling notification letter filed contemporaneously in No. 25-445, we acknowledge that the time to file the letter in that appeal is tolled because of a pending dispositive motion. *See* Local Rule 31.2(a)(3). But given that the Court has stated that it will hear the appeal in No. 25-445 and this case in tandem, we have proceeded with filing letters in both cases.

We will await further order of the Court on a briefing schedule in the two appeals.

Respectfully submitted,

Louis M. Solomon

cc. Counsel of Record via ECF

EXHIBIT “7”

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 “8”

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 “9”

ELETSON CORPORATION

ACTION BY UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS

Pursuant to the Business Corporation Act of 1977 of the Republic of Liberia and the Bylaws ("***Bylaws***") of Eletson Corporation, a Liberian corporation (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, Article IV Section 2 of the Bylaws 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 pre-existing 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.

WHEREAS, Article IV Section 1 of the Bylaws provides that the Board shall appoint a President, Secretary and a Treasurer.

NOW, THEREFORE BE IT, RESOLVED, 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.

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:

President	Leonard J. Hoskinson
Secretary	Leonard J. Hoskinson
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 Article IV, Section 1 of the Restated Bylaws, 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.

NOW, THEREFORE BE IT, RESOLVED, the Board hereby grants Mark Lichtenstein all authorizations and powers of an officer of the Company, including but not limited to Management Powers and Bank Authorization Powers (as defined below).

4. ***Designation of Depositary***

NOW, THEREFORE BE IT, RESOLVED, that the Chief Executive Officer, President and Secretary of the Company are 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.

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. ***Ratification and Discharge***

NOW, THEREFORE BE IT, RESOLVED, that all prior acts done on behalf of the Company by the officers appointed as of the date hereof or the officers' agents are ratified and approved as acts of the Company.

6. ***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 Directors of the Company.

Date: 11/19/24

Leonard J. Hoskinson

EXHIBIT “10”

ACTION BY WRITTEN CONSENT

OF THE SOLE STOCKHOLDER

OF EMC INVESTMENT CORPORATION

December 17, 2024

The undersigned stockholder (the "***Stockholder***"), the holder of all outstanding equity securities of EMC Investment Corporation, a Liberian corporation (the "***Corporation***"), pursuant to the Business Corporation Act of 1977 of the Republic of Liberia, hereby adopts and approves the following resolutions and the taking of the actions referred to in such resolutions:

1. ***Director Appointment***

NOW, THEREFORE, BE IT RESOLVED, that effective as of the date above, Leonard J. Hoskinson is appointed by the Stockholder as the sole director of the Corporation's board of directors to serve until such individual's successor shall have been duly designated, or until such individual's earlier resignation or removal.

2. **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; and

RESOLVED FURTHER, that these resolutions shall be filed with the minutes of the proceedings of the Corporation.

[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 Sole Stockholder as of the date set forth above.

STOCKHOLDER:

ELETSON HOLDINGS INC.

By: Adam Spears
Name: Adam Spears
Title: CEO

EXHIBIT “11”

EMC INVESTMENT CORPORATION

ACTION BY UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS

Pursuant to the Business Corporation Act of 1977 of the Republic of Liberia and the Bylaws ("***Bylaws***") of EMC Investment Corporation, a Liberian corporation (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, Article IV of the Bylaws 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 pre-existing 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 that the Company may have previously granted to the Pre-Existing Officers.

WHEREAS, Article IV Section 1 of the Bylaws provides that the Board shall appoint a President, Vice President, Secretary and a Treasurer.

NOW, THEREFORE BE IT, RESOLVED, 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 that the Company may have previously granted to the Pre-Existing Officers.

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:

President	Leonard J. Hoskinson
Vice President	Leonard J. Hoskinson
Secretary	Leonard J. Hoskinson
Treasurer	Leonard J. Hoskinson

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2. ***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;

RESOLVED FURTHER: that these resolutions shall be filed in the minute books of the Company and shall be effective as of the date of the last signature; and

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.

Leonard Hoskinson

Leonard J. Hoskinson

Date: December 17, 2024

EXHIBIT “12”

THE LISCR TRUST COMPANY

80 Broad Street
Monrovia
Liberia

CERTIFICATE OF ELECTION AND INCUMBENCY

We, The LISCR Trust Company, as the duly appointed registered agent of:

ELETSON HOLDINGS INC.

(the "Corporation"), a corporation duly incorporated under the laws of the Republic of Liberia on the 4th day of December, 1985 with registration number C - 40191 hereby confirm that based on the facts stated in the declaration submitted by the Corporation to The LISCR Trust Company, and recorded on the 14th day of March, 2025:

The following are the duly elected, qualified and acting Directors of the Corporation as of the 14th day of March, 2025:

Name:	**Address:**
Adam Spears	17 Cortleigh Crescent Toronto, Ontario Canada M4R 2C6
Leonard J. Hoskinson	12217 Encore At Ovation Way, Winter Garden, FL 34787
Timothy B. Matthews	930 Osprey Point Lane Knoxville, Tennessee 37922

The following are the duly appointed, qualified and acting Officers of the Corporation as of the 14th day of March, 2025 and are empowered to sign on behalf of and to bind the Corporation as indicated:

Title:	**Name:**	**Address:**
President/ Treasurer/ Secretary	Adam Spears	17 Cortleigh Crescent Toronto, Ontario Canada M4R 2C6

The LISCR Trust Company is the duly appointed registered agent of the Corporation under Chapter 3 of the Business Corporation Act of 1977 and the registered office of the Corporation is the office of the registered agent at 80 Broad Street, Monrovia, Liberia.

WITNESS my hand and the official seal of The LISCR Trust Company this 14th day of March, 2025.

Benjamin O. Solanke
Manager

Recorded with the Registered Agent only.
This document is not part of the jurisdictional public record.

EXHIBIT “13”

THE LISCR TRUST COMPANY

80 Broad Street
Monrovia
Liberia

CERTIFICATE OF ELECTION AND INCUMBENCY

We, The LISCR Trust Company, as the duly appointed registered agent of:

ELETSON CORPORATION

(the "Corporation"), a corporation duly incorporated under the laws of the Republic of Liberia on the 2nd day of October, 1979 with registration number C - 19741 hereby confirm that based on the facts stated in the declaration submitted by the Corporation to The LISCR Trust Company, and recorded on the 19th day of March, 2025:

The following is the duly elected, qualified and acting Director of the Corporation as of the 19th day of March, 2025:

Name:	**Address:**
Leonard J. Hoskinson	12217 Encore At Ovation Way Winter Garden, FL 34787

The following are the duly appointed, qualified and acting Officers of the Corporation as of the 19th day of March, 2025 and are empowered to sign on behalf of and to bind the Corporation as indicated:

Title:	**Name:**	**Address:**
President/Treasurer/ Secretary:	Leonard J. Hoskinson	12217 Encore At Ovation Way Winter Garden, FL 34787

The LISCR Trust Company is the duly appointed registered agent of the Corporation under Chapter 3 of the Business Corporation Act of 1977 and the registered office of the Corporation is the office of the registered agent at 80 Broad Street, Monrovia, Liberia.

WITNESS my hand and the official seal of The LISCR Trust Company this 19th day of March, 2025.

Benjamin O. Solanke
Manager

Recorded with the Registered Agent only.
This document is not part of the jurisdictional public record.

EXHIBIT “14”

THE LISCR TRUST COMPANY

80 Broad Street
Monrovia
Liberia

CERTIFICATE OF ELECTION AND INCUMBENCY

We, The LISCR Trust Company, as the duly appointed registered agent of:

EMC INVESTMENT CORPORATION

(the "Corporation"), a corporation duly incorporated under the laws of the Republic of Liberia on the 22nd day of December, 1975 with registration number C - 10974 hereby confirm that based on the facts stated in the declaration submitted by the Corporation to The LISCR Trust Company, and recorded on the 19th day of March, 2025:

The following is the duly elected, qualified and acting Director of the Corporation as of the 19th day of March, 2025:

Name:	Address:
Leonard J. Hoskinson	12217 Encore At Ovation Way Winter Garden, FL 34787

The following are the duly appointed, qualified and acting Officers of the Corporation as of the 19th day of March, 2025 and are empowered to sign on behalf of and to bind the Corporation as indicated:

Title:	Name:	Address:
President/Vice President/ Treasurer/ Secretary:	Leonard J. Hoskinson	12217 Encore At Ovation Way Winter Garden, FL 34787

The LISCR Trust Company is the duly appointed registered agent of the Corporation under Chapter 3 of the Business Corporation Act of 1977 and the registered office of the Corporation is the office of the registered agent at 80 Broad Street, Monrovia, Liberia.

WITNESS my hand and the official seal of The LISCR Trust Company this 19th day of March, 2025.

Benjamin O. Solanke
Manager

Recorded with the Registered Agent only.
This document is not part of the jurisdictional public record.

EXHIBIT “15”

ARTICLES OF DOMESTICATION

OF

EMC Investment Corporation
Reg. No. 130811

REPUBLIC OF THE MARSHALL ISLANDS

REGISTRAR OF CORPORATIONS

DUPLICATE COPY

The original of this Document was filed in accordance with section 5 of the Business Corporations Act on

March 20, 2025

Bridget Russell

Bridget Russell
Deputy Registrar

NON RESIDENT

APOSTILLE

(Hague Convention of 5 October 1961/
Convention de la Haye du 5 Octobre 1961)

1. Country: The Republic of the Marshall Islands

This Public Document

2. has been signed by: Bridget Russell

3. acting in the capacity of: Deputy Registrar, Republic of the Marshall Islands

4. bears the seal of: Registrar of Corporations, Republic of the Marshall Islands

Certified

5. at: New York, New York 6. on: March 20, 2025

7. by: Special Agent of the Republic of the Marshall Islands

8. Number: NY-7108-03/25

9. Stamp: 10: Signature:

CTompkins

Charisma Tompkins

**ARTICLES OF DOMESTICATION OF
EMC INVESTMENT CORPORATION
UNDER SECTION 127 OF THE MARSHALL ISLANDS BUSINESS CORPORATIONS ACT**

The undersigned, Leonard J. Hoskinson, acting in his capacity as President, Vice President, Treasurer and Secretary of EMC Investment Corporation, a corporation incorporated under the laws of Republic of Liberia, for the purpose of transferring the domicile of the Corporation to the Marshall Islands and continuing its existence, does hereby certify that:

1. The name of the Corporation is: EMC Investment Corporation

2. The Corporation was organized under the laws of Republic of Liberia, on the 22nd day of December, 1975, and presently has a domicile in 80 Broad Street, Monrovia, Liberia.

3. This transfer of domicile has been approved by all necessary corporate action.

4. Transfer of domicile is not expressly prohibited under the law of the Corporation's present domicile.

5. This transfer is made in good faith and will not serve to hinder, delay, or defraud existing shareholders, creditors, claimants, or other parties in interest.

6. The registered address of the Corporation in the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960. The name of the Corporation's Registered Agent at such address is The Trust Company of the Marshall Islands, Inc.

7. The information required to be included in the Articles of Incorporation under section 28 of the Marshall Islands Business Corporations Act is set forth in the Articles of Incorporation annexed hereto, which are to be effective as the Articles of Incorporation of the Corporation upon the filing of these Articles of Domestication with the Registrar or Deputy Registrar of Corporations.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Domestication on this 19th day of March, 2025.

Leonard Hoskinson

Authorized Person
Leonard J. Hoskinson
President, Vice President, Secretary and Treasurer

ARTICLES OF INCORPORATION OF EMC INVESTMENT CORPORATION UNDER SECTIONS 28 AND 127 OF THE MARSHALL ISLANDS BUSINESS CORPORATIONS ACT

A. The name of the Corporation is: EMC Investment Corporation

B. The Corporation was formed under the laws of Republic of Liberia on the 22nd day of December, 1975 as a corporation and redomiciled to the Marshall Islands as of the date of the filing of these Articles of Domestication and Articles of Incorporation. Pursuant to section 127(3) of the Business Corporations Act, the existence date of the Corporation will be the date the Corporation was originally formed.

C. Upon redomiciliation, the Corporation will be governed under the laws of the Republic of the Marshall Islands.

D. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Marshall Islands Business Corporations Act.

E. The registered address of the Corporation in the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960. The name of the Corporation's Registered Agent at such address is The Trust Company of the Marshall Islands, Inc.

F. The aggregate number of shares of stock that the Corporation is authorized to issue is Five Hundred (500) registered shares without par value.

G. The Corporation shall have every power which a corporation now or hereafter organized under the Marshall Islands Business Corporations Act may have.

H. The Board of Directors as well as the shareholders of the Corporation shall have the authority to adopt, amend or repeal the bylaws of the Corporation.

Leonard Hoskinson

Authorized Person
Leonard J. Hoskinson
President

THE REPUBLIC OF THE MARSHALL ISLANDS
REGISTRAR OF CORPORATIONS

CERTIFICATE OF REGISTRATION OF DOMESTICATION/REDOMICILIATION

I HEREBY CERTIFY, that

EMC Investment Corporation
Reg. No. 130811
Existence Date: December 22, 1975

A corporation previously existing under the laws of **Liberia,** has domesticated / redomiciled from **Liberia** into the Republic of the Marshall Islands on

March 20, 2025

and that upon such examination, as indicated by the records of this Registry, said corporation continues as a Marshall Islands corporation governed by the provisions of the Business Corporations Act.

The registered address of the Corporation in the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960. The name of the Corporation's registered agent at such address is The Trust Company of the Marshall Islands, Inc.

WITNESS my hand and the official seal of the Registry on **March 20, 2025.**

Bridget Russell

Bridget Russell
Deputy Registrar

APOSTILLE

(Hague Convention of 5 October 1961/
Convention de la Haye du 5 Octobre 1961)

1. Country: The Republic of the Marshall Islands

This Public Document

2. has been signed by: Bridget Russell

3. acting in the capacity of: Deputy Registrar, Republic of the Marshall Islands

4. bears the seal of: Registrar of Corporations, Republic of the Marshall Islands

Certified

5. at: New York, New York 6. on: March 20, 2025

7. by: Special Agent of the Republic of the Marshall Islands

8. Number: NY-7109-03/25

9. Stamp: 10: Signature:

Charisma Tompkins

EXHIBIT “16”

ACTION BY WRITTEN CONSENT
OF THE COMMON UNIT HOLDER
OF ELETSON GAS LLC

The undersigned being Eletson Holdings Inc. ("***Eletson Holdings***"), the holder of all outstanding Common Units of Eletson Gas LLC, a limited liability company (the "***Company***") formed pursuant to the Limited Liability Companies Act of the Republic of the Marshall Islands (the "***Companies Act***") pursuant to the Companies Act 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) (the "***LLC Agreement***") hereby adopts and approves the following resolutions and the taking of the actions referred to in such resolutions:

1. **Removal of Directors**

WHEREAS, pursuant to Section 3.3(a) of the LLC Agreement, Eletson Holdings is entitled to designate two (2) managers to the board of managers of the Company (the "***Board***," and each manager on the Board, a "***Director***");

WHEREAS, pursuant to Section 3.3(a) of the LLC Agreement, only the Designating Member who originally designated a Director may remove such Director;

NOW, THEREFORE, BE IT RESOLVED, effective as of November 29, 2024, the following individuals who were previously appointed to the Board by Eletson Holdings, in addition to any other individuals who may have purported to have been appointed to the Board by Eletson Holdings, are hereby removed from the Board:

Laskarina I. Karastamati	Director
Vasileios E. Kertsikoff	Director

NOW, THEREFORE, BE IT RESOLVED, that effective as of November 29, 2024, the following individuals are each designated by Eletson Holdings as a Director of the Board to serve until such individual's successor shall have been duly designated, or until such individual's earlier resignation or removal:

Leonard J. Hoskinson	Director

NOW, THEREFORE, BE IT RESOLVED, that following the removals and appointments by Eletson Holdings as described above, the Board is composed of the following individuals:

Mark Lichtenstein	Director
Eliyahu Hassett	Director
Joshua Fenttiman	Director
Adam Spears	Director
Leonard J. Hoskinson	Director

2. **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.

3. **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.

***

Capitalized terms not defined herein shall have the meaning ascribed to them in the LLC Agreement.

[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 Members as of the date set forth opposite such Member's names.

Date of Execution: November 29, 2024

Member:

Eletson Holdings Inc.

By: _____
Name: Adam Spears
Title: President and Chief Executive Officerr

EXHIBIT “17”

ACTION BY WRITTEN CONSENT

OF THE MEMBERS

OF ELETSON GAS LLC

The undersigned being the Members constituting (i) Eletson Holdings Inc. ("***Eletson Holdings***"), the holder of all outstanding Common Units of Eletson Gas LLC, a limited liability company (the "***Company***") formed pursuant to the Limited Liability Companies Act of the Republic of the Marshall Islands (the "***Companies Act***") and (ii) the holders of all outstanding Preferred Units of Eletson Gas LLC ("***Preferred Units***"), pursuant to the Companies Act 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) (the "***LLC Agreement***") hereby adopts and approves the following resolutions and the taking of the actions referred to in such resolutions:

1. **Board of Directors**

NOW, THEREFORE, BE IT RESOLVED, that following those certain removals and appointments by Eletson Holdings as of the date hereof, the Members hereby affirm that the board of directors of the Company is composed of the following individuals:

Mark Lichtenstein	Director
Eliyahu Hassett	Director
Joshua Fenttiman	Director
Adam Spears	Director
Leonard J. Hoskinson	Director

2. **Prohibited Corporate Actions by Eletson Gas Companies**

NOW, THEREFORE BE IT, RESOLVED, that the Company and its officers are authorized in the Company's 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.

3. **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 Company is hereby authorized to direct 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.

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.

***

Capitalized terms not defined herein shall have the meaning ascribed to them in the LLC Agreement.

[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 Members as of the date set forth opposite such Member's names.

Date of Execution: November 29, 2024

Member:

Eletson Holdings Inc.

By: _____
Name: Adam Spears
Title: President and Chief Executive Officerr

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 Members as of the date set forth opposite such Member's names.

Date of Execution: November 29, 2024

Member:

Levona Holdings Ltd.

By: _____
Name: Eliyahu Hassett
Title: Director

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 “18”

ACTION BY WRITTEN CONSENT
OF THE SOLE STOCKHOLDER
OF EMC GAS CORPORATION

March 11, 2025

The undersigned stockholder (the "***Stockholder***"), the holder of all outstanding equity securities of EMC Gas Corporation, a Marshall Islands corporation (the "***Corporation***"), pursuant to the Business Corporations Act of Marshall Islands, hereby adopts and approves the following resolutions and the taking of the actions referred to in such resolutions:

1. ***Director Appointment***

NOW, THEREFORE, BE IT RESOLVED, that effective as of the date above, Leonard J. Hoskinson is appointed by the Stockholder as the sole director of the Corporation's board of directors to serve until such individual's successor shall have been duly designated, or until such individual's earlier resignation or removal.

2. ***Officer Appointment***

NOW, THEREFORE BE IT, RESOLVED, that (i) Leonard J. Hoskinson is hereby appointed as an officer of the Company, to the office of "Chief Executive Officer", to serve at the pleasure of the Board until his successor is duly elected and qualified, or until his earlier death, resignation or removal and (ii) Mark Lichtenstein is hereby appointed as an officer of the Company, to the office of "Secretary", to serve at the pleasure of the Board until his successor is duly elected and qualified, or until his earlier death, resignation or removal.

3. ***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; and

RESOLVED FURTHER, that these resolutions shall be filed with the minutes of the proceedings of the Corporation.

[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 Sole Stockholder as of the date set forth above.

STOCKHOLDER:

ELETSON GAS LLC

By: _____
Name: Leonard J. Hoskinson
Title: Chief Executive Officer

EXHIBIT “19”

From: **Bryan Judd** bryan@legalscale.com
Subject: Eletson Holdings // Instruction Letter (Reed Smith New York)
Date: November 19, 2024 at 9:41 PM
To: pkennedy@reedsmith.com, lsolomon@reedsmith.com, aconn@reedsmith.com, cunderwood@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Bryan Kotliar bkotliar@teamtogut.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com

BJ

Hi,

Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.

Thank you,
Bryan

Bryan Judd
Legal Scale LLP
+1 646 571-8489
bryan@legalscale.com
www.legalscale.com

Eletson - Letter to Reed Smith (New York Team).pdf
302 KB

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 19, 2024

Reed Smith LLP **("*Reed Smith*")**

599 Lexington Avenue
New York, NY 10022
Attention:
Louis M. Solomon, Esq.
Alyssa F. Conn, Esq.
Colin A. Underwood, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

On behalf of Eletson Holdings Inc. and its subsidiaries (collectively, "***Eletson***"), I am writing to provide Reed Smith specific instructions regarding the ongoing legal matters involving Eletson. Reed Smith is hereby instructed as follows:

1. **Engagement Personnel**. Please identify the personnel at Reed Smith who are responsible for managing all matters related to Eletson (the "***Relevant Personnel***"). Please provide their full names, roles, and contact information.

2. **Access to Personnel**. We request that Reed Smith make all Relevant Personnel available for a meeting with our team to discuss their prior and ongoing representation of any Eletson entities. To facilitate this, please provide available dates and times for each Relevant Personnel for a meeting to be scheduled within three (3) days from the date hereof (or such later date as we request).

3. **Retention and Preservation of Files**. We request that you immediately take all necessary steps to preserve and retain all files, documents, and communications relevant to the matters for which Reed Smith has provided counsel to Eletson. This includes electronic files, physical documents and any other materials that may be pertinent.

4. **Transmittal of Files and Access to Systems**. To ensure a complete and seamless transition, please promptly provide all documents and communications related to Eletson files. This includes, but is not limited to:
    a) All executed contracts, drafts, amendments, and related documentation;
    b) Emails, letters, internal memos, and any other written or electronic communications;
    c) Research, legal opinions, pleadings, motions, filings, memoranda, and any drafts and final documents prepared during representation;
    d) Full access to all platforms and tools used for Eletson-related matters, such as Gravity Stack Slackspace and similar systems. This includes any login credentials, permissions, and associated user documentation;
    e) Any digital records, including databases, spreadsheets, presentations, or other electronically stored information (ESI);
    f) Hard copies of files, records, or other materials housed at your office or in storage. Please provide a detailed inventory of such documents; and
    g) Any additional items, including case notes, timelines, or strategies, that may aid in the continuity of handling Eletson matters.

    For e-discovery and electronic records, please ensure data integrity by providing native file formats where applicable, along with any metadata or audit trails. If there are specific technical requirements or processes involved, promptly let me know.

    Should you require any further authorizations, details, or clarification to process this request, do not hesitate to contact me. Your timely and thorough response to this request is expected and appreciated.

5. **Restriction on Actions**. Effective immediately, no action should be taken, nor any filings or decisions made, on behalf of Eletson in any jurisdiction without the express written approval or instructions from the new personnel designated by our organization. Such designated personnel shall include myself and Mark Lichtenstein. Please ensure that no steps are taken without prior authorization.

6. **Outstanding Proceedings**. Please provide a comprehensive list of all outstanding proceedings to which Eletson is currently a party, including matters in which Reed Smith is not acting as counsel. Please identify any ongoing or threatened litigation, arbitration, regulatory matters, or similar proceedings involving Eletson.

7. **Work Streams and Client Codes**. Please provide a detailed breakdown of all outstanding work streams, client codes, or similar records associated with your current or past work with Eletson. This information will assist us in maintaining a clear understanding of all matters in which you are currently or in the past have been engaged.

8. **Other Counsel Representing Eletson**. Please provide the names of all law firms, attorneys, or other legal representatives known to Reed Smith who are representing Eletson in any actual, potential, or threatened litigation, dispute or other legal matters. This includes any matters not directly handled by Reed Smith.

9. **Co-Counsel and Opposing Counsel**. In connection with all open matters involving Eletson, we request that you provide the names of all co-counsel, opposing counsel, and any other parties involved in these proceedings. This will help us ensure that all legal resources are properly coordinated and that all relevant parties are accounted for.

10. **Reed Smith Fees**. Please identify (i) all outstanding amounts owed to Reed Smith by Eletson and (ii) which Eletson entities are party to the applicable engagement letters with Reed Smith for any and all outstanding amounts owed to Reed Smith.

    Please also identify whether any of Reed Smith's fees for work done on behalf of Eletson have been paid by any third parties. Please identify those third parties and how much they have paid in the past and have agreed to pay in the future. Please provide copies of all related agreements with such third parties.

We appreciate your immediate attention to these matters. If you require any clarification or further instructions, please do not hesitate to reach out to me directly at adam.spears@eletsonholdings.com.

Thank you for your prompt assistance.

Sincerely,

Eletson Holdings Inc.

By: Adam Spears
Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “20”

From: **Bryan Judd** bryan@legalscale.com
Subject: Eletson Holdings // Instruction Letter (Reed Smith London)
Date: November 19, 2024 at 9:37 PM
To: pkennedy@reedsmith.com, cweller@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Bryan Kotliar bkotliar@teamtogut.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com

BJ

Hi,

Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.

Thank you,
Bryan

Bryan Judd
Legal Scale LLP
+1 646 571-8489
bryan@legalscale.com
www.legalscale.com

Eletson - Letter to Reed Smith (London Team).pdf
302 KB

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 19, 2024

Reed Smith LLP **("*Reed Smith*")**

1 Blossom Yard
London, E1 6RS
United Kingdom
Attention:
Charles Weller, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

On behalf of Eletson Holdings Inc. and its subsidiaries (collectively, "***Eletson***"), I am writing to provide Reed Smith specific instructions regarding the ongoing legal matters involving Eletson. Reed Smith is hereby instructed as follows:

1. **Engagement Personnel**. Please identify the personnel at Reed Smith who are responsible for managing all matters related to Eletson (the "***Relevant Personnel***"). Please provide their full names, roles, and contact information.

2. **Access to Personnel**. We request that Reed Smith make all Relevant Personnel available for a meeting with our team to discuss their prior and ongoing representation of any Eletson entities. To facilitate this, please provide available dates and times for each Relevant Personnel for a meeting to be scheduled within three (3) days from the date hereof (or such later date as we request).

3. **Retention and Preservation of Files**. We request that you immediately take all necessary steps to preserve and retain all files, documents, and communications relevant to the matters for which Reed Smith has provided counsel to Eletson. This includes electronic files, physical documents and any other materials that may be pertinent.

4. **Transmittal of Files and Access to Systems**. To ensure a complete and seamless transition, please promptly provide all documents and communications related to Eletson files. This includes, but is not limited to:
    a) All executed contracts, drafts, amendments, and related documentation;

b) Emails, letters, internal memos, and any other written or electronic communications;
c) Research, legal opinions, pleadings, motions, filings, memoranda, and any drafts and final documents prepared during representation;
d) Full access to all platforms and tools used for Eletson-related matters, such as Gravity Stack Slackspace and similar systems. This includes any login credentials, permissions, and associated user documentation;
e) Any digital records, including databases, spreadsheets, presentations, or other electronically stored information (ESI);
f) Hard copies of files, records, or other materials housed at your office or in storage. Please provide a detailed inventory of such documents; and
g) Any additional items, including case notes, timelines, or strategies, that may aid in the continuity of handling Eletson matters.

For e-discovery and electronic records, please ensure data integrity by providing native file formats where applicable, along with any metadata or audit trails. If there are specific technical requirements or processes involved, promptly let me know.

Should you require any further authorizations, details, or clarification to process this request, do not hesitate to contact me. Your timely and thorough response to this request is expected and appreciated.

5. **Restriction on Actions**. Effective immediately, no action should be taken, nor any filings or decisions made, on behalf of Eletson in any jurisdiction without the express written approval or instructions from the new personnel designated by our organization. Such designated personnel shall include myself and Mark Lichtenstein. Please ensure that no steps are taken without prior authorization.

6. **Outstanding Proceedings**. Please provide a comprehensive list of all outstanding proceedings to which Eletson is currently a party, including matters in which Reed Smith is not acting as counsel. Please identify any ongoing or threatened litigation, arbitration, regulatory matters, or similar proceedings involving Eletson.

7. **Work Streams and Client Codes**. Please provide a detailed breakdown of all outstanding work streams, client codes, or similar records associated with your current or past work with Eletson. This information will assist us in maintaining a clear understanding of all matters in which you are currently or in the past have been engaged.

8. **Other Counsel Representing Eletson**. Please provide the names of all law firms, attorneys, or other legal representatives known to Reed Smith who are representing Eletson in any actual, potential, or threatened litigation, dispute or other legal matters. This includes any matters not directly handled by Reed Smith.

9. **Co-Counsel and Opposing Counsel**. In connection with all open matters involving Eletson, we request that you provide the names of all co-counsel, opposing counsel, and any other parties involved in these proceedings. This will help us ensure that all legal resources are properly coordinated and that all relevant parties are accounted for.

10. **Reed Smith Fees**. Please identify (i) all outstanding amounts owed to Reed Smith by Eletson and (ii) which Eletson entities are party to the applicable engagement letters with Reed Smith for any and all outstanding amounts owed to Reed Smith.

    Please also identify whether any of Reed Smith's fees for work done on behalf of Eletson have been paid by any third parties. Please identify those third parties and how much they have paid in the past and have agreed to pay in the future. Please provide copies of all related agreements with such third parties.

We appreciate your immediate attention to these matters. If you require any clarification or further instructions, please do not hesitate to reach out to me directly at adam.spears@eletsonholdings.com.

Thank you for your prompt assistance.

Sincerely,

Eletson Holdings Inc.

By: Adam Spears
Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “21”

From: **Bryan Judd** bryan@legalscale.com
Subject: Eletson Holdings // Instruction Letter (Reed Smith Philadelphia)
Date: November 19, 2024 at 9:44 PM
To: pkennedy@reedsmith.com, dbaker@reedsmith.com, jpeles@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Bryan Kotliar bkotliar@teamtogut.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com

BJ

Hi,

Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.

Thank you,
Bryan

Bryan Judd
Legal Scale LLP
+1 646 571-8489
bryan@legalscale.com
www.legalscale.com

Eletson - Letter to Reed Smith (Philadelphia Team).pdf
302 KB

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 19, 2024

Reed Smith LLP **("*Reed Smith*")**

1717 Arch Street
Philadelphia, PA 19103
Attention:
Derek J. Baker, Esq.
Joshua M. Peles, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

On behalf of Eletson Holdings Inc. and its subsidiaries (collectively, "***Eletson***"), I am writing to provide Reed Smith specific instructions regarding the ongoing legal matters involving Eletson. Reed Smith is hereby instructed as follows:

1. **Engagement Personnel**. Please identify the personnel at Reed Smith who are responsible for managing all matters related to Eletson (the "***Relevant Personnel***"). Please provide their full names, roles, and contact information.

2. **Access to Personnel**. We request that Reed Smith make all Relevant Personnel available for a meeting with our team to discuss their prior and ongoing representation of any Eletson entities. To facilitate this, please provide available dates and times for each Relevant Personnel for a meeting to be scheduled within three (3) days from the date hereof (or such later date as we request).

3. **Retention and Preservation of Files**. We request that you immediately take all necessary steps to preserve and retain all files, documents, and communications relevant to the matters for which Reed Smith has provided counsel to Eletson. This includes electronic files, physical documents and any other materials that may be pertinent.

4. **Transmittal of Files and Access to Systems**. To ensure a complete and seamless transition, please promptly provide all documents and communications related to Eletson files. This includes, but is not limited to:

a) All executed contracts, drafts, amendments, and related documentation;
b) Emails, letters, internal memos, and any other written or electronic communications;
c) Research, legal opinions, pleadings, motions, filings, memoranda, and any drafts and final documents prepared during representation;
d) Full access to all platforms and tools used for Eletson-related matters, such as Gravity Stack Slackspace and similar systems. This includes any login credentials, permissions, and associated user documentation;
e) Any digital records, including databases, spreadsheets, presentations, or other electronically stored information (ESI);
f) Hard copies of files, records, or other materials housed at your office or in storage. Please provide a detailed inventory of such documents; and
g) Any additional items, including case notes, timelines, or strategies, that may aid in the continuity of handling Eletson matters.

For e-discovery and electronic records, please ensure data integrity by providing native file formats where applicable, along with any metadata or audit trails. If there are specific technical requirements or processes involved, promptly let me know.

Should you require any further authorizations, details, or clarification to process this request, do not hesitate to contact me. Your timely and thorough response to this request is expected and appreciated.

5. **Restriction on Actions**. Effective immediately, no action should be taken, nor any filings or decisions made, on behalf of Eletson in any jurisdiction without the express written approval or instructions from the new personnel designated by our organization. Such designated personnel shall include myself and Mark Lichtenstein. Please ensure that no steps are taken without prior authorization.

6. **Outstanding Proceedings**. Please provide a comprehensive list of all outstanding proceedings to which Eletson is currently a party, including matters in which Reed Smith is not acting as counsel. Please identify any ongoing or threatened litigation, arbitration, regulatory matters, or similar proceedings involving Eletson.

7. **Work Streams and Client Codes**. Please provide a detailed breakdown of all outstanding work streams, client codes, or similar records associated with your current or past work with Eletson. This information will assist us in maintaining a clear understanding of all matters in which you are currently or in the past have been engaged.

8. **Other Counsel Representing Eletson**. Please provide the names of all law firms, attorneys, or other legal representatives known to Reed Smith who are representing Eletson in any actual, potential, or threatened litigation, dispute or other legal matters. This includes any matters not directly handled by Reed Smith.

9. **Co-Counsel and Opposing Counsel**. In connection with all open matters involving Eletson, we request that you provide the names of all co-counsel, opposing counsel, and any other parties involved in these proceedings. This will help us ensure that all legal resources are properly coordinated and that all relevant parties are accounted for.

10. **Reed Smith Fees**. Please identify (i) all outstanding amounts owed to Reed Smith by Eletson and (ii) which Eletson entities are party to the applicable engagement letters with Reed Smith for any and all outstanding amounts owed to Reed Smith.

    Please also identify whether any of Reed Smith's fees for work done on behalf of Eletson have been paid by any third parties. Please identify those third parties and how much they have paid in the past and have agreed to pay in the future. Please provide copies of all related agreements with such third parties.

We appreciate your immediate attention to these matters. If you require any clarification or further instructions, please do not hesitate to reach out to me directly at adam.spears@eletsonholdings.com.

Thank you for your prompt assistance.

Sincerely,

Eletson Holdings Inc.

By: Adam Spears
Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “22”

From: **Bryan Judd** bryan@legalscale.com
Subject: Eletson Holdings // Instruction Letter (Reed Smith Pittsburg)
Date: November 19, 2024 at 9:45 PM
To: pkennedy@reedsmith.com, psinger@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Bryan Kotliar bkotliar@teamtogut.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com

BJ

Hi,

Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.

Thank you,
Bryan

Bryan Judd
Legal Scale LLP
+1 646 571-8489
bryan@legalscale.com
www.legalscale.com

Eletson - Letter to Reed Smith (Pittsburg Team).pdf

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 19, 2024

Reed Smith LLP **("*Reed Smith*")**

Reed Smith Centre
225 Fifth Avenue
Pittsburgh, PA, 15222
Attention:
Paul Singer, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

On behalf of Eletson Holdings Inc. and its subsidiaries (collectively, "***Eletson***"), I am writing to provide Reed Smith specific instructions regarding the ongoing legal matters involving Eletson. Reed Smith is hereby instructed as follows:

1. **Engagement Personnel**. Please identify the personnel at Reed Smith who are responsible for managing all matters related to Eletson (the "***Relevant Personnel***"). Please provide their full names, roles, and contact information.

2. **Access to Personnel**. We request that Reed Smith make all Relevant Personnel available for a meeting with our team to discuss their prior and ongoing representation of any Eletson entities. To facilitate this, please provide available dates and times for each Relevant Personnel for a meeting to be scheduled within three (3) days from the date hereof (or such later date as we request).

3. **Retention and Preservation of Files**. We request that you immediately take all necessary steps to preserve and retain all files, documents, and communications relevant to the matters for which Reed Smith has provided counsel to Eletson. This includes electronic files, physical documents and any other materials that may be pertinent.

4. **Transmittal of Files and Access to Systems**. To ensure a complete and seamless transition, please promptly provide all documents and communications related to Eletson files. This includes, but is not limited to:

a) All executed contracts, drafts, amendments, and related documentation;
b) Emails, letters, internal memos, and any other written or electronic communications;
c) Research, legal opinions, pleadings, motions, filings, memoranda, and any drafts and final documents prepared during representation;
d) Full access to all platforms and tools used for Eletson-related matters, such as Gravity Stack Slackspace and similar systems. This includes any login credentials, permissions, and associated user documentation;
e) Any digital records, including databases, spreadsheets, presentations, or other electronically stored information (ESI);
f) Hard copies of files, records, or other materials housed at your office or in storage. Please provide a detailed inventory of such documents; and
g) Any additional items, including case notes, timelines, or strategies, that may aid in the continuity of handling Eletson matters.

For e-discovery and electronic records, please ensure data integrity by providing native file formats where applicable, along with any metadata or audit trails. If there are specific technical requirements or processes involved, promptly let me know.

Should you require any further authorizations, details, or clarification to process this request, do not hesitate to contact me. Your timely and thorough response to this request is expected and appreciated.

5. **Restriction on Actions**. Effective immediately, no action should be taken, nor any filings or decisions made, on behalf of Eletson in any jurisdiction without the express written approval or instructions from the new personnel designated by our organization. Such designated personnel shall include myself and Mark Lichtenstein. Please ensure that no steps are taken without prior authorization.

6. **Outstanding Proceedings**. Please provide a comprehensive list of all outstanding proceedings to which Eletson is currently a party, including matters in which Reed Smith is not acting as counsel. Please identify any ongoing or threatened litigation, arbitration, regulatory matters, or similar proceedings involving Eletson.

7. **Work Streams and Client Codes**. Please provide a detailed breakdown of all outstanding work streams, client codes, or similar records associated with your current or past work with Eletson. This information will assist us in maintaining a clear understanding of all matters in which you are currently or in the past have been engaged.

8. **Other Counsel Representing Eletson**. Please provide the names of all law firms, attorneys, or other legal representatives known to Reed Smith who are representing Eletson in any actual, potential, or threatened litigation, dispute or other legal matters. This includes any matters not directly handled by Reed Smith.

9. **Co-Counsel and Opposing Counsel**. In connection with all open matters involving Eletson, we request that you provide the names of all co-counsel, opposing counsel, and any other parties involved in these proceedings. This will help us ensure that all legal resources are properly coordinated and that all relevant parties are accounted for.

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    Please also identify whether any of Reed Smith's fees for work done on behalf of Eletson have been paid by any third parties. Please identify those third parties and how much they have paid in the past and have agreed to pay in the future. Please provide copies of all related agreements with such third parties.

We appreciate your immediate attention to these matters. If you require any clarification or further instructions, please do not hesitate to reach out to me directly at adam.spears@eletsonholdings.com.

Thank you for your prompt assistance.

Sincerely,

Eletson Holdings Inc.

By: Adam Spears
Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “23”

ReedSmith
Driving progress through partnership

Peter J. Kennedy

Direct Phone: +1 213 457 8062
Email: pkennedy@reedsmith.com

Reed Smith LLP

355 South Grand Avenue
Suite 2900
Los Angeles, CA 90071-1514

+1 213 457 8000
Fax +1 213 457 8080

reedsmith.com

November 21, 2024

By Electronic Mail to Bryan Judd bryan@legalscale.com

Mr. Adam Spears
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

Re: Eletson Holdings, Inc.

Dear Mr. Spears:

I write in response to your three letters dated November 19, 2024 addressed to me and to Reed Smith attorneys in New York, Philadelphia, and London, in which you purport to provide instructions concerning Reed Smith's representation of Eletson Holdings, Inc. ("Holdings"). I understand that, as of November 19, pursuant to the terms of the confirmed bankruptcy plan, Reed Smith's representation of Holdings has purportedly terminated, and accordingly do not believe we are in a position to accept any instructions from you.

Reed Smith intends to comply with its obligations with respect to its representation of Holdings, but we are advised by our client Eletson Corporation that there are substantial questions as to whether you have the authority and capacity to appoint or engage counsel for Holdings or to give them any instructions. We are further advised that there is a Greek court order that specifically reposes that authority in a provisional board of Holdings, of which, we are informed, you are not a member.

Particularly in light of the confidential and privileged nature of our prior relationship with Holdings and our own obligation to protect client confidences, we intend to await further clarification as to who possesses the authority to instruct us or to request our files.

///

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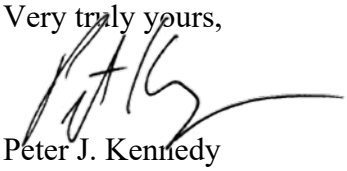
///

///

ReedSmith

Finally, because you are represented by counsel on this subject matter, this correspondence is being sent to your counsel without directly copying you, and we decline to speak you by phone.

Very truly yours,



Peter J. Kennedy

cc: Bryan Kotliar bkotliar@teamtogut.com; Kyle Ortiz kortiz@teamtogut.com

EXHIBIT “24”

ReedSmith
Driving progress
through partnership

Reed Smith LLP
1 Blossom Yard
London
E1 6RS
Phone +44 (0)20 3116 3000
Fax +44 (0)20 3116 3999
reedsmith.com

Charles G. Weller
Direct Phone: +44 (0)20 3116 3632
Email: CWeller@reedsmith.com

4 December 2024

Our Ref: CW\738583.00036

Togut, Segal & Segal LLP,
One Penn Plaza, Suite 3335
New York, NY 10119

By email only: bkotliar@teamtogut.com;
kortiz@teamtogut.com; bryan@legalscale.com

Dear Sirs,

Eletson Holdings Inc

We refer to the email dated 20 November 2024 from Bryan Judd of Legal Scale LLP, attaching a letter dated 19 November 2024, and to the email dated 21 November 2024 from Bryan M. Kotliar of Togut, Segal & Segal LLP attaching a letter dated 21 November 2024, in each case purportedly on behalf of Eletson Holdings Inc c/o Togut, Segal & Segal LLP ("the Letters"). This response is sent on behalf of Reed Smith LLP, a limited liability partnership registered in England and Wales ("Reed Smith London").

Reed Smith London does not act for Eletson Holdings Inc ("Holdings") in any of "*the ongoing legal matters*" to which you refer. Instead, Reed Smith London acts for Eletson Corporation ("Corporation") and Eletson Gas LLC ("Gas"), and subsidiaries of the latter. Pursuant to those retainers, which are governed by English law, Reed Smith London is authorised to act on, and it acts only on, the instructions of Corporation, Gas, and the subsidiaries to which we refer, not Holdings.

Each of the Letters is signed by Adam Spears as "*Chief Executive Officer*", and is purportedly sent on behalf of Holdings and "*its subsidiaries*". However:

(1) We understand that there is a dispute as to whether, as a matter of the law of Liberia (being the place of incorporation of Holdings and the relevant law under English conflict of law rules), Adam Spears is authorised to act on behalf of Holdings.

(2) In any event, even if Adam Spears were authorised to act on behalf of Holdings, we do not accept that the Letters constitute valid instructions or directions to Reed Smith London on behalf of the "*subsidiaries*" of Holdings, or a termination of any retainer of Reed Smith London by the same, in circumstances where neither of the Letters identifies (i) the "*subsidiaries*" of Holdings on behalf of which it is written, or (ii) the legal source of Holdings' authority and power to write on behalf of each such entity. To be clear, Gas is not a subsidiary of Holdings.

(3) Indeed, without any waiver of privilege, we note that the boards of Corporation and Gas have informed Reed Smith London that Holdings had no authority to send the Letters on behalf of those companies; that neither of them has terminated any retainer of Reed Smith London; and that Reed Smith London is instructed not to respond to the Letters on behalf of Corporation and Gas beyond what is set out herein.

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Accordingly, neither of the Letters is a valid instruction or direction to Reed Smith London and we have been instructed not to treat either of them as such.

All of Reed Smith London's rights in relation to this matter are reserved.

We understand that you have also written to Harney Westwood & Riegels LP ("Harneys") and David Allen KC and David Bailey KC at 7 King's Bench Walk in equivalent terms to your letter to Reed Smith London dated 19 November 2024. Accordingly, we are providing a copy of this response to Harneys and to Mr Allen KC and Mr Bailey KC for their information.

Yours faithfully,

Reed Smith

Reed Smith LLP

EXHIBIT “25”

From: **Kotliar** bkotliar@teamtogut.com
Subject: Re: Eletson Holdings // Instruction Letter (Reed Smith New York)
Date: January 30, 2025 at 13:33
To: pkennedy@reedsmith.com, lsolomon@reedsmith.com, aconn@reedsmith.com, cunderwood@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com, Mark Lichtenstein mark.lichtenstein@eletsonholdings.com, Amanda Glaubach aglaubach@teamtogut.com

Reed Smith team,

As a follow up on Eletson Holdings' correspondence with you, on January 24, 2025, the Bankruptcy Court issued an oral ruling (the "Oral Ruling"), and on January 29, 2025 entered an order [Docket No. 1402] (the "Order"), which attached the Oral Ruling as **Exhibit A**. The Order including the Oral Ruling is attached hereto.

The Oral Ruling makes clear that, among other things, "[t]he new members of the board of directors [of Eletson Holdings] were Adam Spears, Leonard Hoskinson, and Timothy Matthews" and that on the effective date of the Plan, which occurred on November 19, 2024, "the board members of the former debtor, certain of whom are now members of the provisional board, were automatically deemed to have resigned or otherwise ceased to be a director or manager of Eletson Holdings Inc." *See* Oral Ruling at 24:14-15, 26:5-26:10. The Court also explained that "Reorganized Eletson Holdings Inc., the same corporate entity as the former debtor, Eletson Holdings, but with the new owners, board, and management as approved by this court in the confirmation order, is the only Eletson Holdings." Finally, the Court "recognize[d] the new board of Eletson and gives the new board of Eletson under section 5.2 of the plan the ability to act on behalf of Eletson . . . ." *Id.* at 26:12-27:2.

Further, the Court directed and ordered various parties, including former counsel as follows:

- Pursuant to section 1142 of the Bankruptcy Code, Reorganized Eletson Holdings Inc.'s former shareholders, officers, directors, counsel, and others, as defined in section 1.124 of the plan, are directed to comply with the plan and the confirmation order to assist in effectuating the Chapter 11 plan. And they are ordered to take 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, including the amended articles of incorporation with LISCR, within seven days of the date of the order to be issued following this ruling. That order shall be served upon relevant parties in accordance with applicable law. If the parties do not comply with the order, the Court will set a hearing on short notice to determine whether any actions were taken to interfere with implementation and consummation of the order to come out of this, the confirmation order, and the Chapter 11 plan.

Id. at 43:16-44:8; *see also* Order ¶¶ 2-4.

As set forth in the Oral Decision, the Court expressly found that "***the confirmation order and Chapter 11 plan are binding on Reorganized Eletson Holdings Inc.'s former*** shareholders, officers, directors, ***counsel***, nominees and others defined in section 1.124 of the plan pursuant to Section 1141 and 1141 of the Bankruptcy Code." See Oral Decision at 43:11-15 (emphasis added); see also id. at 13-20 ("Further, ***the confirmation order and Chapter 11 plan are binding on the former debtor's counsel*** as these parties actively appeared and participated in the bankruptcy case.") (emphasis added). As set forth in the Order, Section 1.124 of the Plan is the definition of "Related Parties" that includes the Debtors' "***current and former officers, directors, principals, equity holders . . . attorneys . . . and other professionals***." See Order ¶ 1 & n.4 (emphasis added).

Finally, the Oral Decision reiterates that, pursuant to section 5.2(c) of the Plan, "On the

effective date, all property in each estate, including all retained causes of action and 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, shall vest in Reorganized Holdings, free and clear of all liens, claims, charges and other encumbrances." Oral Decision at 15:22 (citing Plan § 5.2(c)). That includes Eletson Holdings' interests in its affiliates and subsidiaries.

The Oral Ruling and the Order follow and reinforce an earlier ruling by Judge Liman of the Southern District of New York on December 23, 2024 (the "SDNY Decision") reflected in the attached transcript (the "SDNY Transcript"). In the SDNY Decision, the SDNY stated that the unstayed Confirmation Order "recognizes the new board of Eletson, gives the new board of Eletson under 5.2 of the plan the ability to act on behalf of Eletson, that's under 5.10 and 5.11 of the plan, and gives then under the Plan of confirmation authority with respect to this appeal." SDNY Transcript 31:13-23; *see also* Transcript at 25-27 & 39 (citing the SDNY Decision).

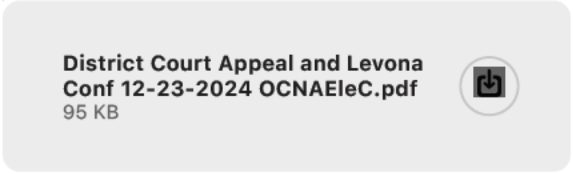
As such, there is no basis to dispute Eletson Holdings instructions to you, which are incorporated here by reference. You are directed and instructed to comply with all instructions set forth in our prior correspondence to you, and we reserve all rights, including the right to seek appropriate relief from the Bankruptcy Court if you fail to do so.

In addition, Reed Smith has continued to act as purported counsel to Eletson Holdings notwithstanding its clear termination by Eletson Holdings, the plain language of the Plan, and clear rulings and orders of the Bankruptcy Court and SDNY District Court. See e.g., Oral Ruling at 23:22-23 ("Reed Smith's representation of Eletson Holdings Inc. was terminated. That's the Chapter 11 plan 2.5(A)."). To repeat our prior correspondence to you, among other things, (1) you have no authority to act on behalf of Eletson Holdings or any of its affiliates or subsidiaries and (2) none of Eletson Holdings or any of its affiliates or subsidiaries have any obligation to pay any fees and expenses incurred by Reed Smith after the date of its termination.

Finally, to the extent you purport to act on behalf of the so-called "provisional Eletson Holdings" and/or the "provisional Board of Eletson Holdings," Eletson Holdings does not and has not consented to your representation of any persons or entities adverse to Eletson Holdings, and reserves all rights, including to seek appropriate relief from all disciplinary boards.

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

> On Nov 21, 2024, at 3:49 PM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:
>
> Please see attached termination letter sent on behalf of Eletson Holdings Inc. and its subsidiaries.
>
> Regards,
>
> Bryan

Eletson - Termination Letter (New York).pdf
38 KB

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 Nov 19, 2024, at 9:40 PM, Bryan Judd <bryan@legalscale.com> wrote:
>
> Hi,
>
> Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.
>
> Thank you,
> Bryan
>
> **Bryan Judd**
> **Legal Scale LLP**
> +1 646 571-8489
> bryan@legalscale.com
> www.legalscale.com
>
>

EXHIBIT “26”

From: **Kotliar** bkotliar@teamtogut.com
Subject: Re: Eletson Holdings // Instruction Letter (Reed Smith London)
Date: January 30, 2025 at 15:21
To: pkennedy@reedsmith.com, cweller@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com, Brian Shaughnessy bshaughnessy@teamtogut.com, Amanda Glaubach aglaubach@teamtogut.com, Mark Lichtenstein mark.lichtenstein@eletsonholdings.com

Reed Smith team,

As a follow up on Eletson Holdings' correspondence with you, on January 24, 2025, the Bankruptcy Court issued an oral ruling (the "Oral Ruling"), and on January 29, 2025 entered an order [Docket No. 1402] (the "Order"), which attached the Oral Ruling as **Exhibit A**. The Order including the Oral Ruling is attached hereto.

The Oral Ruling makes clear that, among other things, "[t]he new members of the board of directors [of Eletson Holdings] were Adam Spears, Leonard Hoskinson, and Timothy Matthews" and that on the effective date of the Plan, which occurred on November 19, 2024, "the board members of the former debtor, certain of whom are now members of the provisional board, were automatically deemed to have resigned or otherwise ceased to be a director or manager of Eletson Holdings Inc." *See* Oral Ruling at 24:14-15, 26:5-26:10. The Court also explained that "Reorganized Eletson Holdings Inc., the same corporate entity as the former debtor, Eletson Holdings, but with the new owners, board, and management as approved by this court in the confirmation order, is the only Eletson Holdings." Finally, the Court "recognize[d] the new board of Eletson and gives the new board of Eletson under section 5.2 of the plan the ability to act on behalf of Eletson . . . ." *Id.* at 26:12-27:2.

Further, the Court directed and ordered various parties, including former counsel as follows:

- Pursuant to section 1142 of the Bankruptcy Code, Reorganized Eletson Holdings Inc.'s former shareholders, officers, directors, counsel, and others, as defined in section 1.124 of the plan, are directed to comply with the plan and the confirmation order to assist in effectuating the Chapter 11 plan. And they are ordered to take 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, including the amended articles of incorporation with LISCR, within seven days of the date of the order to be issued following this ruling. That order shall be served upon relevant parties in accordance with applicable law. If the parties do not comply with the order, the Court will set a hearing on short notice to determine whether any actions were taken to interfere with implementation and consummation of the order to come out of this, the confirmation order, and the Chapter 11 plan.

Id. at 43:16-44:8; *see also* Order ¶¶ 2-4.

As set forth in the Oral Decision, the Court expressly found that "***the confirmation order and Chapter 11 plan are binding on Reorganized Eletson Holdings Inc.'s former*** shareholders, officers, directors, ***counsel***, nominees and others defined in section 1.124 of the plan pursuant to Section 1141 and 1141 of the Bankruptcy Code." See Oral Decision at 43:11-15 (emphasis added); see also id. at 13-20 ("Further, ***the confirmation order and Chapter 11 plan are binding on the former debtor's counsel*** as these parties actively appeared and participated in the bankruptcy case.") (emphasis added). As set forth in the Order, Section 1.124 of the Plan is the definition of "Related Parties" that includes the Debtors' "***current and former officers, directors, principals, equity holders . . . attorneys . . . and other professionals***." See Order ¶ 1 & n.4 (emphasis added).

Finally, the Oral Decision reiterates that, pursuant to section 5.2(c) of the Plan, "On the effective date, all property in each estate, including all retained causes of action and 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, shall vest in Reorganized Holdings, free and clear of all liens, claims, charges and other encumbrances." Oral Decision at 15:22 (citing Plan § 5.2(c)). That includes Eletson Holdings' interests in its affiliates and subsidiaries.

The Oral Ruling and the Order follow and reinforce an earlier ruling by Judge Liman of the Southern District of New York on December 23, 2024 (the "SDNY Decision") reflected in the attached transcript (the "SDNY Transcript"). In the SDNY Decision, the SDNY stated that the unstayed Confirmation Order "recognizes the new board of Eletson, gives the new board of Eletson under 5.2 of the plan the ability to act on behalf of Eletson, that's under 5.10 and 5.11 of the plan, and gives then under the Plan of confirmation authority with respect to this appeal." SDNY Transcript 31:13-23; *see also* Transcript at 25-27 & 39 (citing the SDNY Decision).

As such, there is no basis to dispute Eletson Holdings instructions to you, which are incorporated here by reference. You are directed and instructed to comply with all instructions set forth in our prior correspondence to you, and we reserve all rights, including the right to seek appropriate relief from the Bankruptcy Court if you fail to do so.

In addition, Reed Smith has continued to act as purported counsel to Eletson Holdings notwithstanding its clear termination by Eletson Holdings, the plain language of the Plan, and clear rulings and orders of the Bankruptcy Court and SDNY District Court. See e.g., Oral Ruling at 23:22-23 ("Reed Smith's representation of Eletson Holdings Inc. was terminated. That's the Chapter 11 plan 2.5(A)."). To repeat our prior correspondence to you, among other things, (1) you have no authority to act on behalf of Eletson Holdings or any of its affiliates or subsidiaries and (2) none of Eletson Holdings or any of its affiliates or subsidiaries have any obligation to pay any fees and expenses incurred by Reed Smith after the date of its termination.

Finally, to the extent you purport to act on behalf of the so-called "provisional Eletson Holdings" and/or the "provisional Board of Eletson Holdings," Eletson Holdings does not and has not consented to your representation of any persons or entities adverse to Eletson Holdings, and reserves all rights, including to seek appropriate relief from all disciplinary boards.

Best regards,

Bryan

Docket No. 1402 - Order ISO Confirmation of Plan.pdf

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

bkofiar@teamtogut.com | togutlawfirm.com

On Nov 19, 2024, at 9:37 PM, Bryan Judd <bryan@legalscale.com> wrote:

Hi,

Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.

Thank you,
Bryan

Bryan Judd
Legal Scale LLP
+1 646 571-8489
bryan@legalscale.com
www.legalscale.com

Eletson - Letter to Reed Smith (London Team).pdf
302 KB

EXHIBIT “27”

From: **Kotliar** bkotliar@teamtogut.com
Subject: Re: Eletson Holdings // Instruction Letter (Reed Smith Philadelphia)
Date: January 30, 2025 at 13:33
To: pkennedy@reedsmith.com, jpeles@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com, Mark Lichtenstein mark.lichtenstein@eletsonholdings.com, Amanda Glaubach aglaubach@teamtogut.com

Reed Smith team,

As a follow up on Eletson Holdings' correspondence with you, on January 24, 2025, the Bankruptcy Court issued an oral ruling (the "Oral Ruling"), and on January 29, 2025 entered an order [Docket No. 1402] (the "Order"), which attached the Oral Ruling as **Exhibit A**. The Order including the Oral Ruling is attached hereto.

The Oral Ruling makes clear that, among other things, "[t]he new members of the board of directors [of Eletson Holdings] were Adam Spears, Leonard Hoskinson, and Timothy Matthews" and that on the effective date of the Plan, which occurred on November 19, 2024, "the board members of the former debtor, certain of whom are now members of the provisional board, were automatically deemed to have resigned or otherwise ceased to be a director or manager of Eletson Holdings Inc." *See* Oral Ruling at 24:14-15, 26:5-26:10. The Court also explained that "Reorganized Eletson Holdings Inc., the same corporate entity as the former debtor, Eletson Holdings, but with the new owners, board, and management as approved by this court in the confirmation order, is the only Eletson Holdings." Finally, the Court "recognize[d] the new board of Eletson and gives the new board of Eletson under section 5.2 of the plan the ability to act on behalf of Eletson . . . ." *Id.* at 26:12-27:2.

Further, the Court directed and ordered various parties, including former counsel as follows:

- Pursuant to section 1142 of the Bankruptcy Code, Reorganized Eletson Holdings Inc.'s former shareholders, officers, directors, counsel, and others, as defined in section 1.124 of the plan, are directed to comply with the plan and the confirmation order to assist in effectuating the Chapter 11 plan. And they are ordered to take 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, including the amended articles of incorporation with LISCR, within seven days of the date of the order to be issued following this ruling. That order shall be served upon relevant parties in accordance with applicable law. If the parties do not comply with the order, the Court will set a hearing on short notice to determine whether any actions were taken to interfere with implementation and consummation of the order to come out of this, the confirmation order, and the Chapter 11 plan.

Id. at 43:16-44:8; *see also* Order ¶¶ 2-4.

As set forth in the Oral Decision, the Court expressly found that "***the confirmation order and Chapter 11 plan are binding on Reorganized Eletson Holdings Inc.'s former*** shareholders, officers, directors, ***counsel***, nominees and others defined in section 1.124 of the plan pursuant to Section 1141 and 1141 of the Bankruptcy Code." See Oral Decision at 43:11-15 (emphasis added); see also id. at 13-20 ("Further, ***the confirmation order and Chapter 11 plan are binding on the former debtor's counsel*** as these parties actively appeared and participated in the bankruptcy case.") (emphasis added). As set forth in the Order, Section 1.124 of the Plan is the definition of "Related Parties" that includes the Debtors' "***current and former officers, directors, principals, equity holders . . . attorneys . . . and other professionals***." See Order ¶ 1 & n.4 (emphasis added).

Finally, the Oral Decision reiterates that, pursuant to section 5.2(c) of the Plan, "On the

effective date, all property in each estate, including all retained causes of action and 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, shall vest in Reorganized Holdings, free and clear of all liens, claims, charges and other encumbrances." Oral Decision at 15:22 (citing Plan § 5.2(c)). That includes Eletson Holdings' interests in its affiliates and subsidiaries.

The Oral Ruling and the Order follow and reinforce an earlier ruling by Judge Liman of the Southern District of New York on December 23, 2024 (the "SDNY Decision") reflected in the attached transcript (the "SDNY Transcript"). In the SDNY Decision, the SDNY stated that the unstayed Confirmation Order "recognizes the new board of Eletson, gives the new board of Eletson under 5.2 of the plan the ability to act on behalf of Eletson, that's under 5.10 and 5.11 of the plan, and gives then under the Plan of confirmation authority with respect to this appeal." SDNY Transcript 31:13-23; *see also* Transcript at 25-27 & 39 (citing the SDNY Decision).

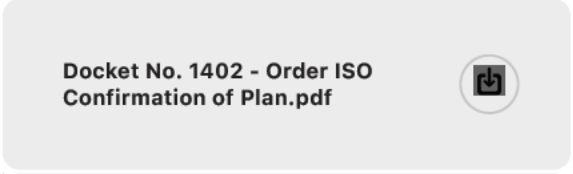
As such, there is no basis to dispute Eletson Holdings instructions to you, which are incorporated here by reference. You are directed and instructed to comply with all instructions set forth in our prior correspondence to you, and we reserve all rights, including the right to seek appropriate relief from the Bankruptcy Court if you fail to do so.

In addition, Reed Smith has continued to act as purported counsel to Eletson Holdings notwithstanding its clear termination by Eletson Holdings, the plain language of the Plan, and clear rulings and orders of the Bankruptcy Court and SDNY District Court. See e.g., Oral Ruling at 23:22-23 ("Reed Smith's representation of Eletson Holdings Inc. was terminated. That's the Chapter 11 plan 2.5(A)."). To repeat our prior correspondence to you, among other things, (1) you have no authority to act on behalf of Eletson Holdings or any of its affiliates or subsidiaries and (2) none of Eletson Holdings or any of its affiliates or subsidiaries have any obligation to pay any fees and expenses incurred by Reed Smith after the date of its termination.

Finally, to the extent you purport to act on behalf of the so-called "provisional Eletson Holdings" and/or the "provisional Board of Eletson Holdings," Eletson Holdings does not and has not consented to your representation of any persons or entities adverse to Eletson Holdings, and reserves all rights, including to seek appropriate relief from all disciplinary boards.

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

> On Nov 21, 2024, at 3:49 PM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:
>
> Please see attached termination letter sent on behalf of Eletson Holdings Inc. and its subsidiaries.
>
> Regards,
>
> Bryan

Eletson - Termination Letter (Philadelphia).pdf
60 KB

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 Nov 19, 2024, at 9:43 PM, Bryan Judd <bryan@legalscale.com> wrote:
>
> Hi,
>
> Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.
>
> Thank you,
> Bryan
>
> **Bryan Judd**
> **Legal Scale LLP**
> +1 646 571-8489
> bryan@legalscale.com
> www.legalscale.com
>
>

EXHIBIT “28”

From: **Kotliar** bkotliar@teamtogut.com
Subject: Re: Eletson Holdings // Instruction Letter (Reed Smith Pittsburg)
Date: January 30, 2025 at 13:33
To: pkennedy@reedsmith.com, psinger@reedsmith.com
Cc: adam.spears@eletsonholdings.com, Kyle Ortiz kortiz@teamtogut.com, Bryan Judd bryan@legalscale.com, Mark Lichtenstein mark.lichtenstein@eletsonholdings.com, Amanda Glaubach aglaubach@teamtogut.com

Reed Smith team,

As a follow up on Eletson Holdings' correspondence with you, on January 24, 2025, the Bankruptcy Court issued an oral ruling (the "Oral Ruling"), and on January 29, 2025 entered an order [Docket No. 1402] (the "Order"), which attached the Oral Ruling as **Exhibit A**. The Order including the Oral Ruling is attached hereto.

The Oral Ruling makes clear that, among other things, "[t]he new members of the board of directors [of Eletson Holdings] were Adam Spears, Leonard Hoskinson, and Timothy Matthews" and that on the effective date of the Plan, which occurred on November 19, 2024, "the board members of the former debtor, certain of whom are now members of the provisional board, were automatically deemed to have resigned or otherwise ceased to be a director or manager of Eletson Holdings Inc." *See* Oral Ruling at 24:14-15, 26:5-26:10. The Court also explained that "Reorganized Eletson Holdings Inc., the same corporate entity as the former debtor, Eletson Holdings, but with the new owners, board, and management as approved by this court in the confirmation order, is the only Eletson Holdings." Finally, the Court "recognize[d] the new board of Eletson and gives the new board of Eletson under section 5.2 of the plan the ability to act on behalf of Eletson . . . ." *Id.* at 26:12-27:2.

Further, the Court directed and ordered various parties, including former counsel as follows:

- Pursuant to section 1142 of the Bankruptcy Code, Reorganized Eletson Holdings Inc.'s former shareholders, officers, directors, counsel, and others, as defined in section 1.124 of the plan, are directed to comply with the plan and the confirmation order to assist in effectuating the Chapter 11 plan. And they are ordered to take 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, including the amended articles of incorporation with LISCR, within seven days of the date of the order to be issued following this ruling. That order shall be served upon relevant parties in accordance with applicable law. If the parties do not comply with the order, the Court will set a hearing on short notice to determine whether any actions were taken to interfere with implementation and consummation of the order to come out of this, the confirmation order, and the Chapter 11 plan.

Id. at 43:16-44:8; *see also* Order ¶¶ 2-4.

As set forth in the Oral Decision, the Court expressly found that "***the confirmation order and Chapter 11 plan are binding on Reorganized Eletson Holdings Inc.'s former*** shareholders, officers, directors, ***counsel***, nominees and others defined in section 1.124 of the plan pursuant to Section 1141 and 1141 of the Bankruptcy Code." See Oral Decision at 43:11-15 (emphasis added); see also id. at 13-20 ("Further, ***the confirmation order and Chapter 11 plan are binding on the former debtor's counsel*** as these parties actively appeared and participated in the bankruptcy case.") (emphasis added). As set forth in the Order, Section 1.124 of the Plan is the definition of "Related Parties" that includes the Debtors' "***current and former officers, directors, principals, equity holders . . . attorneys . . . and other professionals***." See Order ¶ 1 & n.4 (emphasis added).

Finally, the Oral Decision reiterates that, pursuant to section 5.2(c) of the Plan, "On the effective date, all property in each estate, including all retained causes of action and 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, shall vest in Reorganized Holdings, free and clear of all liens, claims, charges and other encumbrances." Oral Decision at 15:22 (citing Plan § 5.2(c)). That includes Eletson Holdings' interests in its affiliates and subsidiaries.

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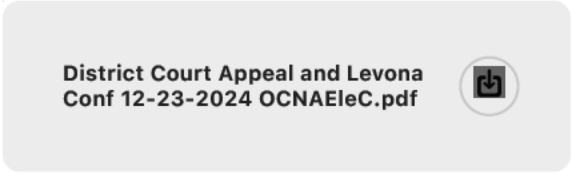
As such, there is no basis to dispute Eletson Holdings instructions to you, which are incorporated here by reference. You are directed and instructed to comply with all instructions set forth in our prior correspondence to you, and we reserve all rights, including the right to seek appropriate relief from the Bankruptcy Court if you fail to do so.

In addition, Reed Smith has continued to act as purported counsel to Eletson Holdings notwithstanding its clear termination by Eletson Holdings, the plain language of the Plan, and clear rulings and orders of the Bankruptcy Court and SDNY District Court. See e.g., Oral Ruling at 23:22-23 ("Reed Smith's representation of Eletson Holdings Inc. was terminated. That's the Chapter 11 plan 2.5(A)."). To repeat our prior correspondence to you, among other things, (1) you have no authority to act on behalf of Eletson Holdings or any of its affiliates or subsidiaries and (2) none of Eletson Holdings or any of its affiliates or subsidiaries have any obligation to pay any fees and expenses incurred by Reed Smith after the date of its termination.

Finally, to the extent you purport to act on behalf of the so-called "provisional Eletson Holdings" and/or the "provisional Board of Eletson Holdings," Eletson Holdings does not and has not consented to your representation of any persons or entities adverse to Eletson Holdings, and reserves all rights, including to seek appropriate relief from all disciplinary boards.

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

> On Nov 21, 2024, at 3:50 PM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:
>
> Please see attached termination letter sent on behalf of Eletson Holdings Inc. and its subsidiaries.
>
> Regards,
>
> Bryan

Eletson - Termination Letter (Pittsburgh).pdf
59 KB

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 Nov 19, 2024, at 9:44 PM, Bryan Judd <bryan@legalscale.com> wrote:
>
> Hi,
>
> Please see the attached correspondence sent on behalf of Eletson Holdings Inc. and its subsidiaries.
>
> Thank you,
> Bryan
>
> **Bryan Judd**
> **Legal Scale LLP**
> +1 646 571-8489
> bryan@legalscale.com
> www.legalscale.com
>
>

EXHIBIT “29”

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 21, 2024

Reed Smith LLP (**"*Reed Smith*"**)

599 Lexington Avenue
New York, NY 10022
Attention:
Louis M. Solomon, Esq.
Alyssa F. Conn, Esq.
Colin A. Underwood, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

You are hereby notified that Eletson Holdings Inc. and its subsidiaries (collectively, the "Company") have terminated all of Reed Smith's engagements with the Company for all matters as of November 20, 2024 (the "Termination Date"). As a reminder, Eletson Holdings Inc.'s engagement of Reed Smith terminated on November 19, 2024 by operation of its Court-approved chapter 11 plan.

On November 20, 2024, Reed Smith attorney Louis Solomon filed a letter with the U.S. District Court for the Southern District of New York purportedly on behalf of certain Company entities advancing positions against the Company's interests. This filing was not authorized by any Company personnel, including those identified in the instructions previously sent to Reed Smith in prior letters dated November 19, 2024.

You are also hereby notified that the Company has not agreed to and is not obligated to pay any of Reed Smith's fees and/or expenses incurred after the Termination Date. The Company is undertaking a rigorous review of all outstanding fees and/or expenses purportedly owed to Reed Smith by the Company. You are directed to provide copies of invoices for all fees and expenses purportedly owed to Reed Smith by the Company through the Termination Date **by no later than December 5, 2024**.

In addition to all of the requests in the Company's November 19, 2024 letters to Reed Smith, as well as all of Reed Smith's obligations to the Company under, among other things, applicable Professional Rules of Responsibility and rules governing attorney conduct, you are instructed to preserve and return to the Company all client materials.

You must coordinate with the Company's counsel at Legal Scale LLP (Attn: Neil O'Donnell, Esq. (neil@legalscale.com) and Bryan Judd, Esq. (bryan@legalscale.com)) regarding the submission of invoices and the return of client materials. In addition, should you have any questions, you may reach me by email at adam.spears@eletsonholdings.com.

Sincerely,

Eletson Holdings Inc.

By: _____

Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “30”

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 21, 2024

Reed Smith LLP (***"Reed Smith"***)

1 Blossom Yard
London, E1 6RS
United Kingdom
Attention:
Charles Weller, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

You are hereby notified that Eletson Holdings Inc. and its subsidiaries (collectively, the "Company") have terminated all of Reed Smith's engagements with the Company for all matters as of November 20, 2024 (the "Termination Date"). As a reminder, Eletson Holdings Inc.'s engagement of Reed Smith terminated on November 19, 2024 by operation of its Court-approved chapter 11 plan.

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Sincerely,

Eletson Holdings Inc.

By: _____

Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “31”

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 21, 2024

Reed Smith LLP (***"Reed Smith"***)

1717 Arch Street
Philadelphia, PA 19103
Attention:
Derek J. Baker, Esq.
Joshua M. Peles, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

You are hereby notified that Eletson Holdings Inc. and its subsidiaries (collectively, the "Company") have terminated all of Reed Smith's engagements with the Company for all matters as of November 20, 2024 (the "Termination Date"). As a reminder, Eletson Holdings Inc.'s engagement of Reed Smith terminated on November 19, 2024 by operation of its Court-approved chapter 11 plan.

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Sincerely,

Eletson Holdings Inc.

By: _____
Adam Spears (Nov 21, 2024 14:23 EST)

Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “32”

Eletson Holdings Inc.
c/o Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

November 21, 2024

Reed Smith LLP (***"Reed Smith"***)

Reed Smith Centre
225 Fifth Avenue
Pittsburgh, PA, 15222
Attention:
Paul Singer, Esq.

355 S Grand Ave Ste 2900,
Los Angeles, CA 90071
Attention:
Peter J. Kennedy, Esq.

To whom it may concern:

You are hereby notified that Eletson Holdings Inc. and its subsidiaries (collectively, the "Company") have terminated all of Reed Smith's engagements with the Company for all matters as of November 20, 2024 (the "Termination Date"). As a reminder, Eletson Holdings Inc.'s engagement of Reed Smith terminated on November 19, 2024 by operation of its Court-approved chapter 11 plan.

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Sincerely,

Eletson Holdings Inc.

By: _____
Name: Adam Spears
Title: Chief Executive Officer
adam.spears@eletsonholdings.com

CC: bkotliar@teamtogut.com; kortiz@teamtogut.com

EXHIBIT “33”

ReedSmith
Driving progress through partnership
Louis M. Solomon
Direct Phone: +1 212 549 0400
Email: lsolomon@reedsmith.com

Reed Smith LLP
599 Lexington Avenue
New York, NY 10022-7650
+1 212 521 5400
Fax +1 212 521 5450
reedsmith.com

November 21, 2024

Via ECF

The Honorable Lewis J. Liman
United States District Court
Southern District of New York
500 Pearl Street, Room 1620
New York, NY 10007

Re: Eletson Holdings, Inc., et al. v. Levona Holdings Ltd., Civil No. 23-cv-7331 (LJL)

Dear Judge Liman:

We write as counsel for Eletson Corporation ("Corp") in connection with the Notice of Appearance filed on Tuesday by the law firm Togut, Segal & Segal LLP ("Togut") purporting to appear on behalf of Eletson Holdings, Inc. ("Holdings") (ECF No. 210). We note that, pursuant to Section 2.5(a) of the *Petitioning Creditors' Revised Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its Affiliates Debtors* (the "Plan") (Bankr. ECF No. 1132), Reed Smith's representation of Holdings was purportedly terminated as of Tuesday, the date upon which the Plan was declared effective (*see* Bankr. ECF No. 1258).

On behalf of Corp (whom we still represent), we wish to apprise the Court that the purported new shareholders of Holdings (a Liberian corporation with its principal place of business and center of main interests in Greece) have made no showing that they have taken the steps necessary under Liberian and Greek law to confirm their capacity to act on behalf of Holdings in this or any other forum. In addition, as of November 12, 2024, a court in Piraeus, Greece, issued an order constituting a provisional board of directors for Holdings, with responsibility to undertake corporate actions, including specifically the retention of outside counsel in this proceeding. We have not been informed that the provisional board has exercised its power to appoint Togut, or any law firm other than Reed Smith (which we understand has been directed to act), to represent Holdings in this matter.

We request that the Court refrain from accepting Togut's capacity to speak for Holdings until the issues surrounding who has the capacity to speak for Holdings can be sorted out.

Respectfully,

Louis M. Solomon

cc: Counsel of Record (via ECF)

EXHIBIT “34”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS INC. and ELETSON CORP., Petitioning/Cross-Respondents, vs. LEVONA HOLDINGS, LTD. Respondent/Cross-Petitioner.	Case No. 23-cv-7331 (LJL). **NOTICE OF APPEARANCE**

PLEASE TAKE NOTICE that Kyle J. Ortiz of Togut, Segal & Segal LLP (the "Togut Firm"), with offices located at One Penn Plaza, Suite 3335, New York, New York 10119, hereby appears on behalf of the Petitioning/Cross-Respondents Eletson Holdings Inc. ("Eletson Holdings").[1]

I hereby certify that I am admitted to practice before this Court.

DATED: November 19, 2024
New York, New York

TOGUT, SEGAL & SEGAL LLP

By:

/s/Kyle J. Ortiz
KYLE J. ORTIZ
One Penn Plaza, Suite 3335
New York, New York 10119
Telephone: (212) 594-5000
Email: kortiz@teamtogut.com

Counsel for Eletson Holdings

[1] Per Eletson Holdings' chapter 11 plan of reorganization, which went effective on November 19, 2024, the independent member for the new board of directors of Eletson Holdings is working to get up to speed and will identify separate counsel with respect to this matter.

EXHIBIT “35”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS INC. AND ELETSON CORP., Petitioners/Cross-Respondents, v. LEVONA HOLDINGS, LTD. Respondent/Cross-Petitioner.	Case No 1:23-cv-07331-LJL **MOTION FOR ADMISSION PRO HAC VICE**

Pursuant to Rule 1.3 of the Local Rules of the United States Courts for the Southern and Eastern Districts of New York, Jennifer B. Furey, hereby moves this Court for an Order for admission to practice Pro Hac Vice to appear as counsel for Petitioners Eletson Holdings Inc. and Eletson Corp. in the above-captioned action.

I am in good standing of the bar of the State of Massachusetts and the District of Columbia and there are no pending disciplinary proceedings against me in any state or federal court. I have never been convicted of a felony. I have never been censured, suspended, disbarred or denied admission or readmission by any court. I have attached the affidavit pursuant to Local Rule 1.3.

Dated: November 26, 2024

GOULSTON & STORRS PC

By: _____

Jennifer B. Furey
One Post Office Square
28th Floor
Boston, MA 02109
Telephone: (617) 574-3575
Email: jfurey@goulstonstorrs.com

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS INC. AND ELETSON CORP.,	
Petitioners/Cross-Respondents,	Case No 1:23-cv-07331-LJL
v.	**AFFIDAVIT OF JENNIFER B. FUREY IN SUPPORT OF MOTION FOR ADMISSION PRO HAC VICE**
LEVONA HOLDINGS, LTD.	
Respondent/Cross-Petitioner.	

COMMONWEALTH OF MASSACHUSETTS)
) ss.:
SUFFOLK COUNTY)

Jennifer B. Furey, being duly sworn, hereby deposes and states as follows:

1. I am a member of the bar in good standing in the Commonwealth of Massachusetts and the District of Columbia.
2. I have never been convicted of a felony.
3. I have never been censured, suspended, disbarred, or denied admission or readmission by any court.
4. There are no pending disciplinary proceedings against me.

Dated: November 26, 2024

Jennifer B. Furey

Sworn to before me this
26 day of November, 2024

Notary Public

VALERIE CLARK
Notary Public, Commonwealth of Massachusetts
My Commission Expires August 04, 2028

The Commonwealth of Massachusetts
SUPREME JUDICIAL COURT
FOR SUFFOLK COUNTY
JOHN ADAMS COURTHOUSE
ONE PEMBERTON SQUARE, SUITE 1300
BOSTON, MASSACHUSETTS 02108-1707
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MAURA S. DOYLE
CLERK

CASE INFORMATION (617) 557-1100
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FACSIMILE (617) 557-1055

November 26, 2024

Attorney Jennifer Furey
Jennifer Furey
Goulston & Storrs One Post Office Square
Boston , MA 02109
jfurey@goulstonstorrs.com

IN RE: CERTIFICATE OF ADMISSION AND GOOD STANDING

Enclosed please find the Certificate of Admission and Good Standing for Commonwealth of Massachusetts Attorney **Jennifer Furey .** The certificate provides certification of the attorney's date of admission and current good standing at the Bar of the Commonwealth of Massachusetts.

If you have any questions or should need further assistance, please do not hesitate to contact the Attorney Services Department at either sjccertsgs@sjc.state.ma.us or 617-557-1050.

Very truly yours,

MAURA S. DOYLE
Clerk
Supreme Judicial Court

MSD/ **jr**
Clearance: 11/26/2024 11.25.2024
Enclosures

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

BE IT REMEMBERED, that at the Supreme Judicial Court holden at Boston within and for said County of Suffolk, on **March 24, 1997**,

said Court being the highest Court of Record in said Commonwealth:

Jennifer Furey

being found duly qualified in that behalf, and having taken and subscribed the oaths required by law, was admitted to practice as an Attorney, and, by virtue thereof, as a Counsellor at Law, in any of the Courts of the said Commonwealth: that said Attorney is at present a member of the Bar, and is in good standing according to the records of this Court*.

In testimony whereof, I have hereunto set my hand and affixed the seal of said Court, this **twenty-sixth** day of **November** in the year of our Lord **two thousand and twenty-four.**

MAURA S. DOYLE, Clerk

* Records of private discipline, if any, such as a private reprimand imposed by the Board of Bar Overseers or by any court, are not covered by this certification. X3116.

On behalf of JULIO A. CASTILLO, Clerk of the District of Columbia Court of Appeals, the District of Columbia Bar does hereby certify that

Jennifer B Furey

was duly qualified and admitted on November 6, 1998 as an attorney and counselor entitled to practice before this Court; and is, on the date indicated below, an Active member in good standing of this Bar.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of this Court at the City of Washington, D.C., on November 25, 2024.

JULIO A. CASTILLO
Clerk of the Court

Issued By:

David Chu - Director, Membership
District of Columbia Bar Membership

For questions or concerns, please contact the D.C. Bar Membership Office at 202-626-3475 or email memberservices@dcbar.org.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS INC. AND ELETSON CORP.,	
Petitioners/Cross-Respondents,	Case No 1:23-cv-07331-LJL
v.	**[PROPOSED] ORDER FOR ADMISSION PRO HAC VICE**
LEVONA HOLDINGS, LTD.	
Respondent/Cross-Petitioner.	

The motion of Jennifer B. Furey for admission to practice Pro Hac Vice in the above captioned action is granted.

Applicant has declared that she is a member in good standing of the bar of the State of Massachusetts and the District of Columbia; and that her contact information is as follows:

Jennifer B. Furey
Goulston & Storrs PC
One Post Office Square
Boston, Massachusetts 02109
Telephone: (617) 574-3575
Facsimile: (617) 574-4112

Applicant having requested admission Pro Hac Vice to appear for all purpose as counsel for Petitioners Eletson Holdings Inc. and Eletson Corp. in the above entitled action;

IT IS HEREBY ORDERED that Applicant is admitted to practice Pro Hac Vice in the above captioned case in the United States District Court for the Southern District of New York. All attorneys appearing before this Court are subject to the Local Rules of this Court, including the Rules governing discipline of attorneys.

Dated: _____

_____
United States District Judge

EXHIBIT “36”

Koslof, Nathaniel

From: Len Hoskinson <lhoskinson@ayntree.us>
Sent: Wednesday, December 4, 2024 6:59 PM
To: cweller@reedsmith.com; lsolomon@reedsmith.com
Cc: Adam Spears; Mark Lichtenstein; Bryan Kotliar; PKennedy@reedsmith.com
Subject: TERMINATION YOUR REPRESENTATION OF ELETSON GAS AND ITS SUBSIDIARIES EFFECTIVE 4 DEC 2024

Dear Reed Smith.

I am writing to formally terminate your representation of Eletson Gas LLC and its subsidiaries (collectively, "Eletson Gas").

Consider this email as formal notice of termination, effective immediately.

As set forth in prior correspondence, Reed Smith's representation as to Eletson Holdings Inc. terminated by operation of its plan of reorganization on November 19, 2024 and was terminated by Eletson Holdings Inc.'s subsidiaries other than Eletson Gas, such as Eletson Corp., on November 20, 2024.

Eletson Gas LLC has not agreed to and is not obligated to pay any of Reed Smith's fees and/or expenses incurred after the date hereof.

Ensure that no further action is taken by you on Eletson Gas LLC or Eletson Corp or any of their subsidiaries.

Additionally, promptly provide me with a complete copy of the Eletson Gas LLC and Eletson Corp files, including all documents, correspondence and notes, in a timely manner, as well as any other files that you may have in connection with any of their subsidiaries.

If there are any outstanding invoices or administrative matters, notify me promptly so I may address them.

Thank you for your attention to this matter. Please confirm receipt of this notice at your earliest convenience.

Sincerely,
Leonard J. Hoskinson
CEO
Eletson Gas LLC & Eletson Corp

EXHIBIT “37”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS, INC. and ELETSON CORPORATION,

Petitioners,

-v-

LEVONA HOLDINGS LTD.,

Respondent.

23-cv-7331 (LJL)

ORDER

LEWIS J. LIMAN, United States District Judge:

For the reasons stated on the record during the hearing on February 14, 2025, the Court GRANTS IN PART the motion of Petitioners Eletson Holdings Inc. and Eletson Corp. at Dkt. No. 242. The request to displace Reed Smith LLP as counsel of record in this matter is granted. Reed Smith is ordered to turn over to Petitioners' counsel of record Reed Smith's Eletson client file as described in the oral ruling, on the schedule set forth on the record at the hearing. Any motion to stay the Court's order shall be filed by February 24, 2025. Any opposition to a stay is due March 3, 2025, and any reply by March 5, 2025.

The Clerk of Court is respectfully directed to close Dkt. No. 242.

SO ORDERED.

Dated: February 14, 2025
New York, New York

LEWIS J. LIMAN
United States District Judge

EXHIBIT “38”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS INC., and ELETSON CORPORATION,

Plaintiffs,

-v-

LEVONA HOLDINGS LTD.

Defendant.

23-cv-7331 (LJL)

OPINION AND ORDER

LEWIS J. LIMAN, United States District Judge:

Reed Smith, LLP moves, pursuant to Federal Rule of Civil Procedure 62(d) and Federal Rule of Appellate Procedure 8(a), for a stay of this Court's order of February 14, 2025, displacing Reed Smith as counsel of record in this action and requiring Reed Smith to turn over client files for Eletson Holdings Inc. ("Eletson Holdings") and Eletson Corp. Dkt. No. 273.[1] The order of February 14, 2025, granted the motion of Eletson Holdings Inc., by and through its counsel Goulston & Storrs, to displace Reed Smith as counsel for Eletson Holdings and compel Reed Smith to turn over its client files to Eletson Holdings. Dkt. No. 269, incorporating oral ruling at Dkt. No. 270. The order was issued after extensive briefing and oral argument. Dkt. Nos. 243, 252, 257, 258, 270. On February 24, 2025, Reed Smith filed a Notice of Appeal of that ruling. Dkt. No. 272. Reed Smith moves for a stay of the ruling pending a decision on its appeal or, in the alternative, a temporary stay so that it may seek a stay from the Second Circuit,

[1] Throughout this opinion, docket citations not followed by a case name or number are to the docket in this case, 23-cv-7331. Docket citations from other related proceedings are followed by a case name or number.

or, in the alternative, additional time to turn over the client files pursuant to Federal Rule of Civil Procedure 6(b). Dkt. No. 273.

For the following reasons, the motion for a stay pending a decision on Reed Smith's appeal is denied. The motion for additional time to turn over the client files is also denied. The motion for a temporary stay so that Reed Smith may seek a stay from the Second Circuit is granted.

I. Background

The Court assumes familiarity with prior proceedings in this matter and provides only a general outline.

Eletson Holdings and its subsidiary Eletson Corp. are companies organized under the laws of Liberia[2] which are engaged in the shipment of liquified petroleum gas. Dkt. No. 67-58 ("Award") at 5. Eletson Holdings and Eletson Corp. were parties to an arbitration with Levona Holdings Ltd. ("Levona"), in which the arbitrator ruled in favor of the Eletson entities. *Id.* at 94–101. The arbitrator specifically ordered Levona, as well as non-parties Murchinson and Pach Shemen, which are affiliated with Levona, to pay certain sums to non-party Eletson Gas LLC and to three Cypriot entities related to the families which controlled Eletson Holdings. *Id.*

This case concerns the petition of Eletson Holdings and Eletson Corp. to confirm the arbitral award and the motion of Levona to vacate that award. On February 9, 2024, the Court issued an Opinion and Order granting in part and denying in part Eletson's petition to confirm and granting in part and denying in part Levona's cross-petition to vacate the arbitral award

[2] During the pendency of this motion, Eletson Holdings submitted papers in a related action stating that as of March 14, 2025, "Holdings has re-domiciled out of Liberia" and is now domiciled in the Republic of the Marshall Islands. Dkt. No. 13, *In re Eletson Holdings*, 25-cv-1685. Eletson Holdings stated that its former majority shareholders and others were challenging this action. *Id.*

("Award"). Dkt. No. 83; *see* Dkt. No. 104. However, on September 6, 2024, the Court granted Levona's motion to file an amended answer and amended cross-petition to vacate based on newly-produced documents tending to show fraud in the arbitration proceeding. Dkt. No. 162.

In March 2023, while the arbitration was pending, Pach Shemen and two other creditors (the "Petitioning Creditors") commenced involuntary bankruptcy proceedings (the "Bankruptcy Proceeding") against Eletson Holdings and two affiliates (the "Debtors"). Dkt. Nos. 67-26, 67-30; *see In re Eletson Holdings Inc. et al.* (*"Bankruptcy Proceeding"*), No. 23-10322 (Bankr. S.D.N.Y.). On September 25, 2023, on motion of the Debtors, the proceeding was converted to a voluntary bankruptcy under chapter 11. Dkt. No. 215, *Bankruptcy Proceeding*. The Debtors and Petitioning Creditors proposed competing plans of reorganization. Dkt. No. 1212 at 5–11, *Bankruptcy Proceeding*. After five days of evidentiary hearings and significant briefing, the bankruptcy court held that the Debtors' plan was not confirmable and the Petitioning Creditors' plan was confirmable. *Id.*[3] The bankruptcy court confirmed the petitioning creditors' plan on November 4, 2025.

The confirmed plan ("Plan") provided that control of Eletson Holdings would pass from its former equity holders and board to Pach Shemen and a new board representing creditor interests. On the effective date of the Plan, the members of the governing body of each Debtor prior to the Effective Date were "deemed to have resigned or otherwise ceased to be a director or manager of the applicable Debtor," Dkt. No. 202-3 § 5.10(c), Eletson Holdings was deemed to

[3] The bankruptcy court concluded that Debtors' Plan was not confirmable because the shareholders did not contribute new value or value that was substantial and thus it violated the absolute priority rule. *Id.* at 54–67. The court also noted as an additional problem with the plan that it presumed equitable subordination of the Petitioning Creditors on the grounds that they had acted in bad faith, but the court concluded the Petitioning Creditors did not act in bad faith. *Id.* at 86–89.

be Reorganized Holdings, and the equity of the old Eletson Holdings was vested in its new owners, *id.* § 1.125-126. Reorganized Holdings was to be managed by a new board consisting of three directors: (i) one director selected by the Plan Proponents, (ii) one selected by the Plan Proponents but subject to the consent of the Creditors' Committee, and (iii) an independent director selected by the Creditors Committee. *Id.* § 5.10(a), (c). Decisions related to claims with Levona and its affiliates, including Pach Shemen, would be made by the independent director, with a limited exception. *Id.* § 5.10(b). Retention of all professionals by Debtors would terminate on the effective date. *Id.* § 2.5(a). The bankruptcy court's confirmation order directed that the Debtors and Petitioning Creditors, including their related parties, "cooperate in good faith to implement and consummate the Plan." Dkt. No. 1223 at 20, *Bankruptcy Proceeding*.

The effective date of the Plan was defined as the business day when no stay of the confirmation order was in effect, all conditions precedent had been satisfied or waived, and the Plan was declared effective. Dkt. No. 202-3 § 1.62. On November 19, 2024, Eletson Holdings waived conditions precedent and the Plan became effective. Dkt. No. 1258, *Bankruptcy Proceeding*; *see* Dkt. No. 255-1 at 23:17–18 (statement of the bankruptcy court that "[o]n November 19th, 2024, the Chapter 11 plan became effective."). No stay of the confirmation order was sought or obtained. Thus, on that date, the board members of the former Debtor were deemed to have resigned, the new board of directors was deemed appointed, the equity interest in the former holders was extinguished, and the equity interest was vested in the new holders. Dkt. No. 255-1 at 26:5–27:20. Eletson Holdings' retention of Reed Smith was terminated. *Id.* at 12:14–20; Dkt. No. 212.

After the effective date, Goulston & Storrs appeared in this case as counsel for Eletson Holdings and Eletson Corp. Dkt. No. 216–17. However, Reed Smith declined to turn over any

client files and argued that it continued to represent Eletson Holdings, stating that the Plan had not been recognized under Liberian law and that a court in Piraeus, Greece, had issued an order constituting a so-called "provisional" board of directors with authority to act for Eletson Holdings. Dkt. No. 217; *see* Dkt. No. 238 at 16:13–24:23. On December 23, 2025, the Court ruled that by order of the bankruptcy court, the former board of Eletson Holdings had been displaced by the new board stated in the confirmed Plan, and that such new board had authority to act on behalf of Eletson Holdings with respect to this appeal. Dkt. No. 238 at 31:10–32:5; Dkt. No. 234.

On January 7, 2025, Eletson Holdings and Eletson Corp. moved for an order displacing Reed Smith as counsel of record in this matter and compelling the immediate turnover of the Reed Smith's Eletson client file as related to the arbitration[4] to Goulston & Storrs. Dkt. Nos. 242–245. Reed Smith opposed the motion. Dkt. Nos. 251–252. Reed Smith continued to argue that the provisional board of Eletson Holdings appointed by the Greek court, not the new board pursuant to the confirmed Plan in the United States bankruptcy court, had capacity to act for Eletson Holdings in this proceeding. Dkt. No. 252 at 3–7, 10–12. Reed Smith also argued in the alternative that if the new board were the proper representative of Eletson, there would be no case or controversy before the Court, and therefore no jurisdiction, because the new board and Levona are both controlled by Murchinson. *Id.* at 13–15. Finally, Reed Smith argued that it

[4] Specifically, the Eletson client file was defined for purposes of this motion as: "1. The entire client file maintained by Reed Smith in any matter wherein it represented Eletson Corp. or Eletson Holdings, Inc. in relation to the Arbitration Award, the enforcement thereof or the monetization of it and the disputes underlying the Arbitration. 2. All communications between Eletson Corp., Eletson Holdings, Inc. and/or any agents thereof, including Reed Smith, and any third party relating to the Arbitration. 3. Unredacted time sheets through the current date, including internal work in progress accounting time entries, relating to the Arbitration." Dkt. No. 243 at 9.

could not be compelled to turn over client files to an adverse party pursuant to *Tekni-Plex, Inc. v. Meyner & Landis*, 89 N.Y.2d 123 (1996). *Id.* at 17–19.

After oral argument, the Court granted the motion in part, displacing Reed Smith as counsel of record and ordering Reed Smith to turn over the client file. Dkt. No. 269; *see* Dkt. No. 270 at 83:11–116:1. It stated that by order of the bankruptcy court, "reorganized Eletson Holdings is the only Eletson Holdings Inc." *Id.* at 96:21–22 (quoting Dkt. No. 257-1 at 26 (transcript of bankruptcy court hearing of January 24, 2025)). The Court reasoned that recognition of the order of the bankruptcy court in this proceeding is "not contingent upon the recognition of the order in Greece and Liberia," and that a party cannot countermand the order of a United States court simply because it is not yet recognized in a foreign jurisdiction. *Id.* at 99:11–12, 101:13–15. It additionally held that the exception to file turnover in *Tekni-Plex* is not applicable, *id.* at 108–09, and that jurisdiction is present because the existence of the arbitration award is a real injury to Levona for which vacatur would provide relief, *id.* at 109–111.[5]

Reed Smith then filed a notice of appeal and moved to stay enforcement of such order pending appeal. Dkt. Nos. 272–274.

II. Discussion

The Court considers the following four factors in deciding whether to grant a stay: "(1) whether the stay applicant has made a strong showing that he is likely to succeed on the merits; (2) whether the applicant will be irreparably injured absent a stay; (3) whether issuance of the

[5] At the same conference, the Court ruled on several pending motions in the related proceeding involving Eletson Holdings' appeal of the confirmation order in the bankruptcy proceeding. *See* Dkt. No. 66, *In re Eletson Holdings Inc.*, No. 24-cv-8672 (S.D.N.Y. February 14, 2025); Dkt. No. 270 at 95:8–106:9. The effect of these rulings was similarly that reorganized Eletson Holdings, not the former board of Eletson Holdings, had authority to act on behalf of Eletson Holdings in that appeal. *See id.* at 105:24–106:9 ("The only party before the Court as appellant is the entity that converted the proceeding in the Bankruptcy Court to a voluntary petition, Eletson Holdings, which, as the confirmed plan indicates, is run by a new board.").

stay will substantially injure the other parties interested in the proceeding; and (4) where the public interest lies." *S.E.C. v. Citigroup Glob. Markets Inc.*, 673 F.3d 158, 162 (2d Cir. 2012) (quoting *Hilton v. Braunskill*, 481 U.S. 770, 776 (1987)).

Reed Smith seeks a stay of the Court's order 1) displacing Reed Smith as counsel of record and 2) requiring the turnover of Reed Smith's Eletson client file. Dkt. No. 272. Reed Smith has not established a basis to stay either part of this order pending appeal.

Notwithstanding Reed Smith's attempts to complicate the issues, they are relatively straightforward. Reed Smith's desire to remain counsel for Eletson Holdings does not create irreparable injury or provide grounds for a backdoor appeal of the Plan ordered by the bankruptcy court. It is moreover straightforward that when counsel is replaced, former counsel must turn over the client file. Reed Smith's argument reduces to the quotidian: it claims it is still owed fees by Eletson Corp. and that it should be entitled to withhold the file from its client Eletson Holdings to secure its right to those fees. The claim appears to lack merit, does not give rise to irreparable harm, and is hardly the type of issue that could give rise to a stay pending appeal.

A. Likelihood of Success on the Merits

Reed Smith identifies the following as serious questions going to the merits: (1) whether the Court continues to have Article III jurisdiction over this action to confirm or, in the alternative to vacate, the arbitral award, Dkt. No. 274 at 4–7; (2) whether the Court's turnover order violates the New York Court of Appeal's decision in *Tekni-Plex Inc. v. Meyner & Landis*, 89 N.Y.2d 123 (1996), *id.* at 7–9; (3) whether Reed Smith continues to have a retaining lien against Eletson Corp. following Plan confirmation which would preclude a turnover order, *id.* at 10–11; and (4) whether the Court's order displacing Reed Smith violates principles of international comity and deprives Eletson Holdings and Eletson Corp. of their right to counsel,

id. at 11–12. Eletson Holdings argues that Reed Smith is not likely to succeed on the merits because the Court's order is not appealable, Dkt. No. 277 at 2–4, and that even assuming the order was appealable, Reed Smith's arguments lack merit, *id.* at 4–15.

Given the number of legal issues raised, is useful to clarify what would need to occur for Reed Smith to succeed in reversing the Court's order displacing Reed Smith as counsel of record and requiring the turnover of Reed Smith's Eletson client file. First, the Court of Appeals would need to hold that it has jurisdiction over the appeal. If the Court of Appeals has jurisdiction over the appeal, the court would need to hold either that this Court lacked jurisdiction to enter the order appealed, *id.* at 4–7, or that, assuming it had jurisdiction, that the order should be reversed on the merits, Dkt. No. 274 at 7–12. Reed Smith's merits argument as to its displacement as counsel is that the displacement violates principles of international comity and the right to counsel. Dkt. No. 274 at 11–12. Reed Smith's merits argument as to the turnover of the file is that the file is subject to a retaining lien and its turnover would violate *Tekni-Plex*. *Id.* at 7–11. The Court considers each of these issues in turn.

1. Whether Interlocutory Appeal is Permitted

Eletson Holdings argues that Reed Smith's application is unlikely to succeed for the threshold reason that this Court's order is not appealable. Dkt. No. 277 at 2–4. Eletson Holdings also questions whether Reed Smith, as counsel, has standing to pursue an appeal. Dkt. No. 277 at 4 n.2. Reed Smith responds that the Court's turnover order is akin to a mandatory injunction, which is immediately appealable. Dkt. No. 280 at 2. It also argues that the Court's order is immediately appealable under the *Forgay-Conrad* doctrine. *Id.* at 3; *see HBE Leasing Corp. v. Frank*, 48 F.3d 623, 632 n.4 (2d Cir. 1995) ("Under the *Forgay* doctrine, an order is treated as final if it directs the immediate delivery of property and subjects the losing party to irreparable harm if appellate review is delayed." (*quoting In re Martin–Trigona* (*Schlehan v. Olympic*

Worldwide Communications, Inc.), 763 F.2d 135, 138 (2d Cir.1985))). The Court finds that Reed Smith's appeal is likely permissible only as to the portion of the order directing turnover of the client file.

"[A] party must ordinarily raise all claims of error in a single appeal following final judgment on the merits." *Firestone Tire & Rubber Co. v. Risjord*, 449 U.S. 368, 374 (1981). An exception exists for collateral orders which "finally determine claims of right separable from, and collateral to, rights asserted in the action, [and are] too important to be denied review and too independent of the cause itself to require that appellate consideration be deferred until the whole case is adjudicated." *Cohen v. Beneficial Industrial Loan Corp*., 337 U.S. 541, 546 (1949). However, the collateral order doctrine has been applied narrowly. In *Mohawk Indus., Inc. v. Carpenter*, the Supreme Court held that a discovery order requiring a party in a case to produce otherwise privileged documents, like any other pretrial discovery order, was not immediately appealable under the collateral order doctrine. 558 U.S. 100, 108 (2009). The Court held that postjudgment appeals "generally suffice[d] to protect the rights of litigants and ensure the vitality of the attorney-client privilege." *Id.* at 109.[6] Similarly, in *Richardson-Merrell, Inc. v. Koller*, the Supreme Court held that orders disqualifying counsel in civil cases "are not collateral orders

[6] The Supreme Court noted that if the court erred in requiring disclosure of privileged information, an appellate court could remedy the erroneous ruling "in the same way they remedy a host of other erroneous evidentiary rulings: by vacating an adverse judgment and remanding for a new trial in which the protected material and its fruits [were] excluded from evidence." *Id.* An aggrieved party could also ask the district court to certify, and the court of appeals to accept, an interlocutory appeal from the order. *Id.* at 110–111. The aggrieved party also could petition for a writ of mandamus or defy the order and, if contempt sanctions were imposed, take an appeal. *Id.* at 111. The Court recognized that such actions would not remedy the "right not to disclose the privileged information in the first place," but held that such right was not of sufficient weight to permit an interlocutory appeal. *Id.* at 109. The Second Circuit has since applied *Mohawk Industries* to other claims of privilege asserted by a party to a litigation and where the disclosure order is directed at a third party. *See Rosner v. United States*, 958 F.3d 163, 166 (2d Cir. 2020) (psychotherapist-patient privilege).

subject to appeal as 'final judgments' within the meaning of 28 U.S.C. § 1291." 472 U.S. 424, 440 (1985). The Supreme Court held that despite the "significant hardship" loss of preferred counsel may impose on litigants, such orders are properly reviewed on appeal of a final judgment. *Id.* at 440.

On the other hand, the Second Circuit and other Circuits have held that an order directing an attorney to turn over a client file which is purportedly security for an attorney's lien is an appealable collateral order, because it is "directed to non-parties" and effectively unreviewable on appeal from the final judgment. *Pomerantz v. Schandler*, 704 F.2d 681, 682 (2d Cir. 1983); *see Kaibel v. Mun. Bldg. Comm'n*, 742 F.3d 1065, 1067 (8th Cir. 2014) (collecting authority).

These principles are instructive here. Although Reed Smith initially stated a stay was needed due to "the irreparable harm of disclosing privileged information directly to the principals of Reed Smith's client's adversary," Dkt. No. 274 at 1, Reed Smith is not the privilege holder—the privilege holder is its client. And its client is Eletson Holdings. Moreover, even assuming the privilege was held not by the board of Eletson Holdings appointed pursuant to the Plan but rather by "the Greek/Liberian entity provisionally appointed by the Greek Court," as Reed Smith claims, Dkt. No. 274 at 1, such party has not appeared in this action. If the allegedly competing board of Eletson Holdings wanted to assert the privilege, it could always have filed a motion to intervene—a step it has steadfastly refused to take despite invitation. *See* Dkt. No. 207 ("[T]he Court modifies the stay to permit (but not require) motions by interested parties, including Eletson Gas and the Preferred Nominees, to intervene in this action."). The privilege is assuredly not held by Reed Smith and cannot be asserted by Reed Smith.

Under *Richardson-Koller*, Reed Smith's displacement as counsel also does not provide grounds for Reed Smith to take an interlocutory appeal. Although the appellant in *Richardson-*

Koller was a litigant who had lost her preferred counsel, the Supreme Court specifically noted that "the disqualified attorney's personal desire for vindication," does not present independent grounds for an interlocutory appeal, given that "the decision to appeal should turn entirely on the client's interest." 472 U.S. at 434.

Mohawk Industries and *Richardson-Koller* thus appear to be dispositive to the extent that Reed Smith argues that the Court's order intrudes into the attorney-client privilege or undermines Eletson Holding's right to counsel. The alternative board of Eletson Holdings has not appeared in this case, nor has any party who could claim to be a privilege holder (despite the Court's invitation), and, under *Mohawk Industries* and *Richardson-Keller*, those parties can take an appeal from a final order if they do appear and if they believe that this Court erred. By absenting themselves, they cannot convert an otherwise unappealable interlocutory order into an appealable order.

By contrast, Reed Smith does have an independent proprietary interest in its client file that is distinct from the interests of its client and from the underlying action. Reed Smith asserts that the file is security for a $2 million retaining lien owed by Eletson Corp. Dkt. No. 272 at 10. Under *Pomerantz*, Reed Smith may properly take an interlocutory appeal to protect this interest. 704 F.2d at 682; *see also Sutton v. New York City Transit Auth*., 462 F.3d 157 (2d Cir. 2006) ("[O]rders adjudicating attorney's fees are normally considered sufficiently distinct from the main litigation to be appealable as collateral orders.").

Therefore, Reed Smith is likely to succeed in obtaining review of its claims regarding its retaining lien in the client file. However, Reed Smith is unlikely to succeed in obtaining review of its claims regarding its displacement as counsel. *See Oneida Indian Nation of Wisconsin v. State of N.Y*., 732 F.2d 259, 261 (2d Cir. 1984) (considering an order disqualifying counsel and

denying turnover of documents, and suggesting that jurisdiction could be present over the latter and not the former).[7]

2. Jurisdiction to Enter the Order

Assuming the order is appealable, Reed Smith's primary argument on appeal is that this Court lacked jurisdiction to enter the turnover order. Reed Smith argues that because Eletson Holdings and Levona are now "under common control," there is no case or controversy supporting Article III jurisdiction. Dkt. No. 274 at 4–5. There are two flaws in the argument.

First, the Court's order here is rooted in the Court's inherent power to administer proceedings before it and to regulate the conduct of counsel appearing before it, not in the Court's Article III jurisdiction to adjudicate the underlying dispute between Eletson Holdings and Levona. "It is well established that a federal court may consider collateral issues after an action is no longer pending," including "after an action is dismissed for want of jurisdiction." *Cooter & Gell v. Hartmarx Corp*., 496 U.S. 384, 395 (1990). For example, a Court may order costs, attorney's fees, contempt sanctions, and Rule 11 sanctions. *Id.* at 395–96; *see Schlaifer Nance & Co. v. Est. of Warhol*, 194 F.3d 323, 333 (2d Cir. 1999). "Such an order implicates no constitutional concern because it 'does not signify a district court's assessment of the legal merits

[7] Reed Smith's contention that the Court's order is effectively a mandatory injunction and invocation of the "practical finality" doctrine, Dkt. No. 280 at 2, do not affect this conclusion. "An order has the practical effect of granting injunctive relief within the meaning of section 1292(a)(1) if it is 'directed to a party, enforceable by contempt, and designed to accord or protect some or all of the substantive relief sought by a complaint.'" *HBE Leasing Corp. v. Frank*, 48 F.3d 623, 632 (2d Cir. 1995) (quoting *Abish v. Northwestern National Insurance Co*., 924 F.2d 448, 453 (2d Cir.1991)). The Court's order is directed towards counsel and is independent from the substantive issues in the proceeding. It is not an injunction within the meaning of section 1292(a)(1). Essentially all court orders require a party or that party's counsel to do something—this does not make them all appealable injunctions. As to practical finality, the source cited by Reed Smith describes such doctrine as applying to "a decision that leaves only ministerial or unrelated matters to be resolved." 19 Moore's Federal Practice—Civil § 202.08 (2024). The decision to displace Reed Smith as counsel and order turnover leaves every substantive issue in this case unresolved. The practical finality doctrine therefore does not apply.

of the complaint.'" *Willy v. Coastal Corp.*, 503 U.S. 131, 138 (1992) (quoting *Cooter & Gell*, 496 U.S. at 396). "It therefore does not raise the issue of a district court adjudicating the merits of a 'case or controversy' over which it lacks jurisdiction." *Id.* Rather, such orders are related to a Court's inherent power to "manage their own affairs so as to achieve the orderly and expeditious disposition of cases" and "discipline attorneys who appear before it." *Chambers v. NASCO, Inc.*, 501 U.S. 32, 43 (1991) (quoting *Link v. Wabash R. Co.*, 370 U.S. 626, 630–631 (1962)). Similarly, "[t]he authority of federal courts to disqualify attorneys derives from their inherent power." *Hempstead Video, Inc. v. Inc. Vill. of Valley Stream*, 409 F.3d 127, at 132 (2d Cir. 2005). Courts in this Circuit have also held that the power to compel an attorney to turn over a client file stems from "[t]he power to control the actions of attorneys as officers of the court." *Kleiman v. O'Neill*, 2008 WL 5582453, at *4 (E.D.N.Y. Dec. 30, 2008); *see United States v. Kaplan*, 2023 WL 5718901, at *3 (E.D.N.Y. Sept. 5, 2023).

Whether or not the Court has Article III jurisdiction, the Court has the power to relieve or displace the counsel appearing before it. Goulston & Storrs, as counsel appearing for Eletson Holdings, argues that the Court has Article III jurisdiction to resolve the dispute between it and Levona. Reed Smith argues that the Court does not have Article III jurisdiction. Regardless how the Court resolves that question, Eletson Holdings has the right to have the issues presented by a counsel devoted to it. And the Court has an independent interest in assuring that the lawyer speaking to it, purportedly on behalf of a client, has the authority to speak on behalf of that client. *Cf. United States v. Sineneng-Smith*, 590 U.S. 371, 375 (2020) ("[W]e rely on the parties to frame the issues for decision and assign to courts the role of neutral arbiter of matters the parties present."). The Court's displacement order falls squarely within its powers regardless whether the Court finds it has jurisdiction to entertain Eletson Holdings' motion to confirm the

arbitration award and Levona's motion to vacate it. For similar reasons, the Court retains the authority to order Reed Smith—if Reed Smith in fact is an interloper with no continuing right to the client file—to turn over that client file to its client so that the client can make decisions in this case in an informed manner. The Court may properly regulate Reed Smith's conduct in this manner because Reed Smith is appearing before it and its conduct is relevant to Eletson Holdings' ability to represent itself in this case. *See Kaplan,* 2023 WL 5718901, at *3; *Love & Madness, Inc. v. Claire's Holdings, LLC*, 2021 WL 4554058, at *3 (S.D.N.Y. Oct. 4, 2021) (ordering turnover of client file to facilitate ongoing litigation).

The second flaw in Reed Smith's jurisdictional argument is that this Court does in fact have Article III jurisdiction over the underlying controversy between Eletson and Levona. When this case was begun through the motion to confirm filed by Eletson Holdings, Levona and Eletson were not under common control. Prior to the takeover, Levona argued that the Court lacked Article III jurisdiction because the relief awarded by the arbitrator ran in favor of persons other than Eletson Holdings who were not parties to the Arbitration. Dkt. No. 50 at 14–16. Eletson Holdings responded that "[a] party to an arbitration who 'is entitled to confirmation of an award' satisfies the Article III case and controversy requirement." Dkt. No. 54 at 6 (citing *Nat'l Cas. Co. v. Resolute Reinsurance Co*., 2016 WL 1178779, at *3 (S.D.N.Y. Mar. 24, 2016) ("Because a party to an arbitration is entitled to confirmation of an award, until it receives that confirmation an ongoing case and controversy exists.")). The Court accepted that argument. Dkt. No. 83 at 46–55. The same logic follows now that the shoe is on the other foot. The Court has jurisdiction both with respect to the ongoing motion to confirm, as to which the Court has not reached a final decision, and with respect to Levona's motion to vacate the award.

A court has Article III jurisdiction if the plaintiff can show she has (1) suffered an actual or imminent injury in fact that (2) is fairly traceable to the conduct of the defendant and that (3) would be redressed by a favorable decision of the court. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992); *see TransUnion LLC v. Ramirez*, 594 U.S. 413, 423 (2021). Standing limitations ensure that the plaintiff has a "personal stake" in the case, as "a federal court may resolve only 'a real controversy with real impact on real persons.'" *Id.* (quoting *Am. Legion v. Am. Humanist Ass'n*, 588 U.S. 29, 87 (2019) (Gorsuch, J., concurring)).

All three elements have been established here. First, Levona has suffered an injury in fact. An award has been entered against it by an arbitrator sitting in New York. The award runs in favor of Eletson Holdings and Eletson Corp., but also in favor of the so-called Preferred Nominees and Eletson Gas. Under the New York Convention, that award can be enforced anywhere in the world, without being reduced to a judgment. *See CBF Industria de Gusa S/A v. AMCI Holdings, Inc.*, 850 F.3d 58, 73 (2d Cir. 2017) (holding that the New York Convention did away with the "double *exequatur*" requirement that the court in the rendering state recognize an award before it could be taken and enforced abroad). At any time, the Preferred Nominees and others may attempt to enforce the award against Levona. Moreover, the injury is actual and imminent: the risk of enforcement proceedings is not merely hypothetical. Enforcement proceedings already have been commenced against Levona in several jurisdictions. Those proceedings could lead to substantial financial damages. *See* Dkt. No. 248-1 at 23 (England); Dkt. No. 276-1 (Greece); *see also* Dkt. No. 275 at 2.[8] There is a causal connection between the

[8] Reed Smith recently filed an action in England on behalf of Eletson Gas to recognize and enforce the Award against Levona. Dkt. No. 248-1 at 23. The alleged Cypriot nominees issued formal board resolutions and corporate records in February 2024, in reliance on the Court's February 9, 2024, confirmation/vacatur decision, purporting to change the share registry and

injury and the conduct complained of: The Award is the product of the arbitration, and the Court has already found that there is evidence to suggest that the Award was procured by the fraud of Eletson Holdings and certain of its representatives during the arbitration. Dkt. No. 162 at 15–16, 34, 47. And, finally, the injury can be redressed by a favorable decision. If the Court vacates the award, Levona will be relieved of the threat of enforcement of the award. There will no longer be an award to enforce.

Reed Smith resists that conclusion by adding a fourth element to the Article III test for standing. It claims that Article III contains an "adversity requirement," at least "in the context of common control." Dkt. No. 274 at 6. It relies on the line of cases that hold that courts lacks authority "to act in friendly or feigned proceedings." *Arizonans for Off. Eng. v. Arizona*, 520 U.S. 43, 71 (1997) (citing *United States v. Johnson,* 319 U.S. 302, 304 (1943)). In *United States v. Johnson*, for example, the Court declined to resolve an appeal when the plaintiff filed his lawsuit under a fictitious name at the request of the defendant who sought a friendly lawsuit and where the plaintiff did not employ or even meet his attorney, did not pay any legal expenses, did not read the complaint filed in his name, and had no knowledge of the relief being sought. 319 U.S. 302 (1943). The cases on their facts speak to circumstances in which the plaintiff has not suffered an actual or imminent injury in fact, and a court decision is not necessary to provide redress. If the plaintiff and defendant are not truly adverse and the defendant has the ability and

board of directors of Eletson Gas to reflect the relief they believe they obtained through the Award and to authorize themselves to enforce it. Dkt. No. 248. In March 2024, Eletson Corp. and Eletson Gas obtained an ex parte injunction in the British Virgin Islands precluding Levona from dissipating certain asserts based on the Court's confirmation/vacatur decision. Reed Smith and others have been asserting that the Award has been "confirmed" and runs against Levona. *Id.* The creditors have argued in the bankruptcy court that the efforts of the purported Preferred Nominees and Reed Smith violate the terms of that Court's Stay Relief Order, which prohibited any efforts to enforce or effectuate the arbitration award absent further order of that court. *Id.*

the interest to provide to the plaintiff all the relief that the plaintiff would be seeking through a lawsuit, then it is easy to view the lawsuit as a contrivance to obtain an opinion that a court would be prohibited from giving in the absence of a real case and controversy. *See Muskrat v. United States*, 219 U.S. 346, 361 (1911).

The existence of a party-defendant who is willing and able to present adverse arguments, however, is not necessary to Article III jurisdiction. The Supreme Court has squarely held that the existence of "concrete adverseness which sharpens the presentation of issues" goes to the prudential question whether the Court should exercise jurisdiction, not to the constitutional question whether the Court may exercise jurisdiction. *See United States v. Windsor*, 570 U.S. 744, 759–60 (2013). The Court in *Windsor* distinguished between "the jurisdictional requirements of Article III and the prudential limits on its exercise." *Id.* at 756. The constitutional requirements are those set forth in *Lujan* and *TransUnion*. *Id.* at 757. Those principles require that a favorable decision will have "'real meaning'" for the party invoking the court's jurisdiction and that the party retains "a stake" in the matter. *Id.* at 758 (quoting *INS v. Chadha*, 462 U.S. 919, 940 (1983)). Even if the Court has Article III jurisdiction, prudential factors may counsel against the Court hearing the case depending on, for example, whether the Court would benefit from the "adversarial presentation of the issues." *Id.* at 760.

Courts not infrequently exercise Article III subject-matter jurisdiction when there is not adversity. It is common, for example, for the courts to enter a default judgment on a complaint that has not been tested by the appearance of an adversary. *See, e.g.*, *Broach v. Metro. Exposition Servs., Inc.*, 2020 WL 3892509, at *4–5 (S.D.N.Y. July 10, 2020); *Gavel v. WOW Payments LLC*, 2020 WL 7890660, at *1 (S.D.N.Y. Oct. 15, 2020). It is sufficient that "[p]rior to entering a default judgment, the Court . . . ascertain that subject matter jurisdiction exists over

plaintiff's claims" based on Article III and federal statutes. *DeVito Verdi, Inc. v. Legal Sea Foods, Inc*., 2021 WL 1600088, at *1–2 (S.D.N.Y. Apr. 23, 2021) (collecting cases).[9] Likewise, the courts frequently entertain an undisputed motion to confirm or vacate an arbitration award. *See D.H. Blair & Co. v. Gottdiener*, 462 F.3d 95, 112 (2d Cir. 2006) ("Because the Broker's motion to confirm was unopposed, confirmation of the entire arbitral award is appropriate."); *New York Hotel & Gaming Trades Council, AFL-CIO v. CSC Hudson*, 2025 WL 80228, at *4 (S.D.N.Y. Jan. 13, 2025) (discussing the standard for granting an unopposed motion for confirmation of an arbitral award). It is enough that an arbitrator has entered an award which would benefit or hurt the party bringing the lawsuit. The Court does not pause to inquire why the seemingly adverse party is not opposing the motion—whether it is because it is now under common control with the petitioner or whether for some other reason it is in its interest not to oppose the relief being sought. It is a truism that the Court must have Article III jurisdiction at all times. *See* Fed. R. Civ. P. 12(h)(3) ("If the court determines at any time that it lacks subject-matter jurisdiction, the court must dismiss the action."); *Arbaugh v. Y & H Corp*., 546 U.S. 500, 514 (2006) ("[W]hen a federal court concludes that it lacks subject-matter jurisdiction, the court must dismiss the complaint in its entirety."). Yet, if one or the other party chooses not to answer a motion for summary judgment, the Court need not dismiss the case for lack of subject-matter jurisdiction. It can grant the motion if the moving party "has met its burden of demonstrating that no material issue of fact remains for trial." *Entsorgafin S.P.A. v. Entsorga W. Virginia*, *LLC*, 2023 WL 6465316, at *1 (S.D.N.Y. Oct. 4, 2023) (quoting *D.H. Blair*, 462 F.3d at 110). Finally, parties who have settled can ask a court to vacate an adverse ruling or judgment. *See U.S.*

[9] Indeed, a court may even enter a default judgment without having determined that it can exercise personal jurisdiction over the defendant. *See City of N.Y. v. Mickalis Pawn Shop, LLC*, 645 F.3d 114, 133–36 (2d Cir. 2011).

Bancorp Mortg. Co. v. Bonner Mall P'ship, 513 U.S. 18, 21–22 (1994); *U.S. Bank Tr., N.A. as Tr. for LSF9 Master Participation Tr. v. Toney*, 2019 WL 3779876, at *2–3 (E.D.N.Y. Aug. 12, 2019). The fact that the parties are no longer adverse does not prevent the Court from acting. *See U.S. Bancorp*, 513 U.S. at 21 ("Article III does not prescribe such paralysis."). In all of these circumstances, it is irrelevant why the person who was at one time on the other side of the "v" has decided not to oppose the relief sought by the moving party. What matters is that the Plaintiff has (1) suffered an actual or imminent injury in fact that (2) is fairly traceable to the conduct of the defendant and that (3) would be redressed by a favorable decision of the court. *Lujan*, 504 U.S. at 560.

Both at its inception and in its current posture, this proceeding is anything but feigned. The relief sought by Levona has "real meaning," and Levona has a "stake" in the matter, as does Eletson. *Windsor*, 570 U.S. at 757–58 (quoting *Chadha*, 462 U.S. at 939). An Award in the amount of over $85 million has been entered against Levona. Dkt. No. 67-58. Under the New York Convention, there is no need for the Award to be confirmed in the United States before it can be enforced in other countries. *See CBF Industria de Gusa*, 850 F.3d at 72–73 (noting that "[t]his, in fact, was the entire purpose of the New York Convention"). In those other countries, which are not the site in which the Award was rendered, the grounds for avoiding an arbitration award are "strictly limited." *Yusuf Ahmed Alghanim & Sons v. Toys "R" Us, Inc.*, 126 F.3d 15, 19 (2d Cir. 1997). Under Article V of the Convention, such grounds include only that:

> (a) The parties to the agreement . . . were . . . under some incapacity, or the said agreement is not valid under the law . . . ; or
>
> (b) The party against whom the award is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings . . . ; or
>
> (c) The award deals with a difference not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration . . . ; or

> (d) The composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties . . . ; or
>
> (e) The award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958, 21 U.S.T. 2517 ("New York Convention"), art. V(1). Enforcement may also be refused if "[t]he subject matter of the difference is not capable of settlement by arbitration," or if "recognition or enforcement of the award would be contrary to the public policy" of the country in which enforcement or recognition is sought. *Id.* art. V(2). "These seven grounds are the only grounds explicitly provided under the Convention." *Yusuf Ahmed Alghanim & Sons*, 126 F.3d at 19. Fraud before the arbitrator is not grounds for avoiding enforcement in a secondary jurisdiction. This Court, however, has primary jurisdiction and, under the New York Convention and the Federal Arbitration Act, is therefore "free to set aside or modify an award in accordance with its domestic arbitral law and its full panoply of express and implied grounds for relief." *CBF Industria de Gusa*, 850 F.3d at 73 (quoting *Yusuf Ahmed Alghanim & Sons*, 126 F.3d at 23 ((citing N.Y. Convention, art. V(1)(e))). Those grounds include that "the award was procured by corruption, fraud, or undue means," and that "there was evident partiality or corruption in the arbitrators, or either of them." 9 U.S.C. § 10(1), (2).

In other words, Levona has a concrete, immediate stake in whether the arbitration award is set aside here or rather can continue to be used around the world to force Levona to pay tens of millions of dollars to the Preferred Nominees and Eletson Gas. Such is true no matter whether an adverse party contests Levona's position that the award should be set aside. And even in the absence of adversity, there is no guarantee that the Court would vacate the award. Levona would have to convince the Court that there is sufficient evidence to support a conclusion that there was

fraud in the arbitration. *See D.H. Blair*, 462 F.3d at 109; *Vermont Teddy Bear Co. v. 1-800 Beargram Co.*, 373 F.3d 241, 244 (2d Cir. 2004).

Finally, there is no reason to doubt that the Court will be aided in its decision by adversarial briefing. Although Reed Smith claims that Eletson Holdings and Levona cannot be adverse because they are both controlled by Murchinson, Eletson Holdings and Levona are distinct corporations and the Plan explicitly provides that decisions related to claims concerning Levona and its affiliates, including Pach Shemen, would be made by an independent director appointed by the Creditors' Committee and controlled by shareholders other than Pach Shemen. *Id.* § 5.10(b). The apparent purpose of this provision is to ensure that Eletson Holdings' decisions in this litigation are *not* controlled by Pach Shemen or Levona, but rather are made independently in the best interests of the shareholders of Eletson Holdings who are unaffiliated with Pach Shemen. More important, the Preferred Nominees—who are the principal beneficiaries of the Award—have a direct interest in whether the Award is confirmed, suspended, or vacated. As noted, those parties have already started to try to enforce the Award outside the United States, and Reed Smith has indicated that such parties would seek to intervene to defend the award. Dkt. No. 204 at 2. More recently, one of the nominees has filed a motion to file an amicus curiae brief, in which it asserts that it is considering filing a motion to intervene. Dkt. No. 291. The Preferred Nominees have every reason to do so. They have the most direct stake in the Court's decision. The only apparent reason that they have not done so to date is a gambit that, if they do not do so, the Court may do their work for them and allow the Award to stand, not because of any decision as to whether it should be vacated or not but based on the judgment that their absence alone deprives the Court of jurisdiction to address that question.

Reed Smith's argument thus is appropriately seen for what it is—an attempt to utilize an enforceable award while avoiding any scrutiny by any court anywhere as to whether the recipient obtained that award by defrauding the arbitrator. So viewed, it is evident that Levona has "a personal stake in the outcome of the controversy" and that only this Court can grant it the relief that it seeks. *Gill v. Whitford*, 585 U.S. 48, 65 (2018) (quoting *Baker v. Carr*, 369 U.S. 186, 204 (1962)).

Reed Smith is accordingly unlikely to succeed in its argument that this Court lacked jurisdiction to enter the order appealed.

3. Displacement as Counsel of Record

Reed Smith is also unlikely to succeed in reversing this Court's order displacing it as counsel on the merits.

Reed Smith's argument regarding its displacement as counsel of record is that the Court violated principles of comity by favoring the counsel chosen by Eletson Holdings pursuant to the order of the United States bankruptcy court over the counsel chosen by the provisional board appointed by a court in Piraeus, Greece. Dkt. No. 274 at 11–12. It also argues that this decision deprives Eletson Holdings of its right to counsel. *Id.* Similarly, it suggests that this appeal presents the issue whether "the proponent of a plan of reorganization for a foreign entity can replace that entity (and deprive it of counsel) without first receiving recognition and complying with the corporate law of the countries of incorporation and principal place of business." *Id.*

This argument is phrased as an argument about choice of counsel in this arbitration proceeding, but it is fundamentally a backdoor attempt to undo the bankruptcy court's reorganization of Eletson Holdings. Although Reed Smith brings this appeal in its own name, the relief Reed Smith seeks is, in effect, a stay of the Effective Date of the Plan, on behalf of the former or provisional board of Eletson Holdings. Reed Smith represented the Debtors in the

Bankruptcy Proceeding, in which the bankruptcy court rejected the Debtors' proposed plan and instead confirmed the Petitioning Creditor's Plan, which provided that the existing equity holders would lose their equity and Levona's affiliate Pach Shemen, which agreed to contribute $53.5 million in new value to Eletson Holdings to pay off Eletson Holding's pre-existing debts, would gain control of the company. Dkt. No. 1212 at 40, *Bankruptcy Proceeding*. It was entirely clear that on the Effective Date of the Plan, the current members of the governing body of Eletson Holdings would be "deemed to have resigned or otherwise ceased to be a director or manager" of Eletson Holdings, and that control would pass to a new board appointed by the plan proponents and other creditors. *See* Dkt. No. 202-3 § 5.10(a), (c). Moreover, any professionals retained by the Debtors would not be considered employed by the reorganized entity absent execution of a new engagement letter for services rendered after that date. *Id.* § 10.6. This change of control is the reason the bankruptcy proceeding was so hotly contested.

Nevertheless, Reed Smith and its clients did not seek a stay of the effective date of the Plan. Nor did they raise any of the arguments they raise now, namely that the Plan was required to be recognized in Eletson Holdings' country of incorporation (Liberia) and its purported principal place of business (Greece) before it could become effective. In fact, Reed Smith benefitted from the Plan by obtaining a distribution of the funds that Pach Shemen contributed. Dkt. No. 1520 at 21, *Bankruptcy Proceeding*. Now, however, after the Plan has gone into effect, Reed Smith seeks in this separate arbitration confirmation proceeding a ruling that Reed Smith is still counsel for Eletson, because the new Board lacks authority to act on behalf of Eletson—essentially, a ruling that despite the bankruptcy court's reorganization of Eletson which transferred control to Pach Shemen, control of Eletson remains with its former shareholders and board. It is well-recognized in the bankruptcy context that "the ability to achieve finality is

essential to the fashioning of effective remedies," and that "completed acts in accordance with an unstayed order of the bankruptcy court must not thereafter be routinely vulnerable to nullification if a plan of reorganization is to succeed." *In re Chateaugay Corp*. (*"Chateaugay I"*), 988 F.2d 322, 325 (2d Cir.1993). A litigant seeking to undo a bankruptcy reorganization plan is therefore expected to "pursue with diligence all available remedies to obtain a stay of execution of the objectionable order." *In re Chateaugay Corp*., 10 F.3d 944, 953 (2d Cir. 1993) (quoting *In re Roberts Farms, Inc*., 652 F.2d 793, 798 (9th Cir. 1981)). At this point, pursuant to the Plan, Eletson has been reorganized and the new board has possessed broad authority to act on behalf of Eletson for the last four months. Dkt. No. 202-3 § 5.2. Depriving the new board of its ability to control this litigation, which was explicitly mentioned in the Plan, *id.* § 5.10(b), would place the effectiveness of the Plan in doubt and "knock the props out from under the authorization for every transaction that has taken place," *Chateaugay Corp*., 10 F.3d at 953 (quoting *Roberts Farms*, 652 F.3d at 797). If the former shareholders sought to contest the Plan, they should have done so through the bankruptcy proceeding and related appeals. Counsel's resistance to displacement is not a proper vehicle to collaterally attack the orders of the bankruptcy court.

Moreover, even assuming Reed Smith is the proper party to bring arguments that the transfer of power in the Plan should be effectively stayed and that this appeal is the proper vehicle to bring those arguments, those arguments are weak on the merits. The argument that the Plan's non-recognition in Greece or Liberia should prevent it from being recognized in the United States is contrary to the language and purpose of the Plan and to basic principles of international law.

When the matter was before the Court on Eletson Holdings' motion for turnover of the client file, Reed Smith argued that its displacement was inconsistent with the terms of an order of a single-member court of first instance in Greece, which Eletson Holdings' former shareholders obtained on an *ex parte* basis on November 12, 2024, and which appointed an interim board on a provisional basis comprised of members of the family that formerly held Eletson Holdings. *See* Dkt. Nos. 49-2, 50, 24-cv-8672; Dkt. No. 255-1, 23-cv-7331. The order, among other things, authorized the "interim board" to appoint attorneys to act on behalf of Eletson Holdings to challenge the confirmation order of the bankruptcy court. Dkt. No. 49-2. Reed Smith offered expert testimony that (1) the Confirmation Order and Plan are not automatically recognized in Greece and not currently recognized and effective in Greece, (2) the Greek court order is still valid and effective in Greece, (3) the provisional board members appointed by the Greek court are recognized in Greece as the current board members of Eletson Holdings, (4) an entity referred to as Provisional Eletson Holdings exists in Greece, and (5) the provisional directors are not permitted to effectuate the Confirmation Order and Plan in Greece prior to their recognition by a Greek court. Dkt. No. 50 ¶ 11. The Court held that such order by the Greek court, on its own, did not give the purported interim board the authority to appoint counsel to represent Eletson Holdings in a United States court when an unstayed order of a United States court provided that Eletson Holdings was to be governed by a board appointed by the creditors whose plan of confirmation was accepted by the bankruptcy court.

The Court's ruling followed from elementary principles of international law. A United States court is generally required, subject to certain exceptions, to give recognition to "a final, conclusive, and enforceable judgment of a court of a foreign state granting or denying recovery of a sum of money, or determining a legal controversy." Restatement (Fourth) of Foreign

Relations Law § 481 (2018). But even such a foreign order is not self-enforcing. In order for the order to be enforced in the United States, it must be recognized and, in order for the foreign judgment to be recognized, the person seeking recognition "must either initiate a civil proceeding for that purpose in a court of competent jurisdiction or properly raise the issue in an existing proceeding." *Id.* § 482. The burden is on the party seeking recognition of the foreign judgment to prove "that the foreign judgment is final, conclusive, and enforceable under the law of the country in which it was rendered; and that the foreign judgment is not for taxes, fines, or other penalties." *Id.* § 485(1). Those same principles apply to a foreign judgment providing injunctive or other nonmonetary relief. *Id.* § 488. In the absence of recognition, the foreign court may exercise jurisdiction to enforce its order in its own territory, but it may not do so in the territory of another country. *Id.* § 432.

The so-called provisional board of Eletson Holdings never sought recognition in this country of the order of the Greek court, nor apparently could it have. Leaving aside all other potential defects, the order was entered on an *ex parte* basis and, by its own terms, does not purport to be final and conclusive. Dkt. No. 244-1. As this Court noted, the interim board of Eletson Holdings could have sought to have the Greek order recognized in the United States by filing an action in the United States and subjecting itself to United States jurisdiction, but it did not do so. As it stands, the Greek order is, at most, effective in Greece. A Greek court does not have the jurisdiction to determine who speaks for Eletson Holdings in the United States. The bankruptcy court has done so via the Plan, which is currently effective and cannot simply be disregarded by a United States court.

Similarly, whether the Plan is recognized in Liberia does not control whether it is recognized in the United States. The order of confirmation provides, in accordance with the

Bankruptcy Code, that the Debtors and Petitioning Creditors, including their related parties, "cooperate in good faith to implement and consummate the Plan." Dkt. No. 1223 at 20, *Bankruptcy Proceeding*. That order is binding on the former shareholders that participated in the bankruptcy process and on their counsel. Dkt. No. 255-1 at 27:13–28:16 (citing relevant provisions of the Bankruptcy Code). Thus, to the extent the Plan has not yet been recognized in Liberia, the former shareholder and their counsel should simply be helping to effectuate that recognition. *Id.* at 43:21–44:3 (stating that Eletson Holdings' former shareholders, officers, directors, and counsel must "take 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" in Liberia); Dkt. No. 1495, *Bankruptcy Proceeding* (sanctioning the former majority shareholders and provisional board for failure to update corporate documents as directed by Reorganized Eletson Holdings). The new board's current lack of recognition in Liberia does not allow Eletson's former shareholders, or their counsel, to continue to control the actions of the company in the United States, in violation of the orders of a United States court transferring control of such company.

Reed Smith has not shown that it is likely to succeed in reversing its displacement as counsel.

4. Turnover of Client File

Reed Smith is also not likely to succeed in reversing the Court's order that it turn over the Eletson client file. Reed Smith makes two arguments on this point. First, it argues that pursuant to *Tekni-Plex, Inc. v. Meyner & Landis*, 674 N.E.2d 663 (N.Y. 1996), it cannot be compelled to turn over privileged communications to Eletson Holdings because it is "now controlled by the same people who control Levona, its client's adversary." Dkt. No. 274 at 7. Second, it argues

that it has a retaining lien in place on Eletson Corp. that prevents the Court from ordering the documents to be turned over to Eletson Holdings. Dkt. No. 274 at 10–11.

As of November 19, 2024, Reed Smith was terminated as counsel of Eletson Holdings. Upon termination of the attorney-client relationship, a client has presumptive access to its former attorney's entire client file on a represented matter, absent a substantial showing by the attorneys of good cause and subject to the client paying for assemblage and delivery of the documents to the client. *See Sage Realty Corp. v. Proskauer Rose Goetz & Mendelsohn L.L.P.*, 689 N.E.2d 879, 881–883 (N.Y. 1997). That presumptive right of access includes communications with the client and draft legal memoranda and notes. *Id.* The exceptions are that the law firm is not required to disclose documents which might violate a duty of nondisclosure owed to a third party or otherwise imposed by law, or to disclose documents intended only for internal law office review and use. *Id.* at 883. Reed Smith does not dispute those propositions.

By virtue of the bankruptcy, there exist new owners of Eletson Holdings and new management. They are the owners of the privilege and of the privileged documents. The Supreme Court has explicitly stated that "when control of a corporation passes to new management, the authority to assert and waive the corporation's attorney-client privilege passes as well," and that "[d]isplaced managers may not assert the privilege over the wishes of current managers." *Commodity Futures Trading Comm'n v. Weintraub*, 471 U.S. 343, 358 (1985). The privilege belongs to the corporation and not to the persons who happened to manage or own the corporation at the time the privileged communications took place. *Id.* at 349.

Reed Smith's argument that Eletson Holdings is adverse to its client is based on the implicit but mistaken premise that its clients were members of the family that formerly owned Eletson Holdings, not Eletson Holdings itself. It asserts that "the privilege exists precisely to

stop adversaries from obtaining attorney-client privileged documents." Dkt. No. 274 at 8. It thus appears to express concern that the privileged documents will be used against the prior owners of Eletson Holdings (to whom Reed Smith reported) or perhaps against Reed Smith itself. But the privilege does not belong to the former owners and directors of Eletson Holdings, much less to Reed Smith. Reed Smith reported to and owed a duty of loyalty to Eletson Holdings, a distressed company whose main creditor was Pach Shemen. If Eletson Holdings now wants the privileged documents back, it is entitled to them, even if Eletson Holdings—now under new ownership and management—chooses to use those documents against its prior ownership and management.[10]

a. *Tekni-Plex*

The exception recognized in *Tekni-Plex, Inc. v. Meyner & Landis*, 674 N.E.2d 663 (N.Y. 1996) is not applicable here.

Tekni-Plex involved a merger between Tekni-Plex and a purchaser. The surviving corporation took on the Tekni-Plex name, continued Tekni-Plex's business and took on "all of the rights, privileges, liabilities and obligations of old Tekni-Plex." *Id.* at 669. The New York Court of Appeals specifically held that "Tekni–Plex is entitled to access to any relevant pre-merger legal advice rendered to old Tekni–Plex that it might need to defend against these liabilities or pursue any of these rights," and that "control of the attorney-client privilege with respect to any confidential communications between [counsel] and corporate actors of old Tekni–Plex concerning [Tekni-Plex's] operations passed to the management of new Tekni–

[10] Reed Smith argues that "Levona is actively litigating actions involving the Arbitration against parties other than Eletson Holdings and Eletson Corp, and the turnover order may provide Levona with access to privileged documents they would never otherwise be able to obtain." Dkt. No. 274 at 8. That argument fails for the same reason. It would be a perversion of the attorney-client privilege to say that the privilege presents Eletson Holdings from—in its own interest—sharing communications for which it paid with any third party.

Plex." *Id.* This is consistent with the rule recognized by the Supreme Court in *Weintraub*. *See* 471 U.S. at 358. Reorganized Eletson Holdings *is* Eletson Holdings, and the new management of Eletson takes on the right to access prior legal advice and control the attorney-client privilege.

The *Tekni-Plex* court carved out a limited exception for attorney-client communications that the law firm had with its then-client, the target corporation, relating to the merger transaction with its purchasers. Advice regarding the merger transaction is distinct from general legal advice regarding the business because as to the merger transaction, the agreement between the parties contemplated that the rights of the acquired corporation "with regard to disputes arising from the merger transaction remain[ed] independent from—and, indeed, adverse to, the rights of the buyer." *Id.* at 138–39. This is different from the general business operations of Tekni-Plex, a subject in which the former owners and current owners share an interest. The court thus held that control of the client files with respect to the merger did not pass to the acquirer. It reasoned:

> Where the parties to a corporate acquisition agree that in any subsequent dispute arising out of the transaction the interest of the buyer will be pitted against the interests of the sold corporation, corporate actors should not have to worry that their privileged communications with counsel concerning the negotiations might be available to the buyer for use against the sold corporation in any ensuing litigation. Such concern would significantly chill attorney-client communications during the transaction.

Id. at 139.

As the Court held, *Tekni-Plex* is inapposite. The Court's order requires Reed Smith to turn over the entire client file as to matters in which Reed Smith represented Eletson Holdings in relation to the arbitration award prior to November 19, 2024. Dkt. No. 270 at 107:1–23. Such representation did not involve a transaction in which the current managers of Eletson Holdings were attempting to purchase the corporation from Reed Smith's clients. Reed Smith's client always was Eletson Holdings. The arbitration and subsequent litigation involves a business dispute between Eletson Holdings and a third party, Levona. It would not have chilled Reed

Smith's vigorous representation of Eletson Holdings in the arbitration and related proceedings for it and Eletson Holdings to have known that the documents Reed Smith generated could be used by Eletson Holdings, regardless who managed that entity. As noted, it is implicit in the corporate attorney-client privilege that the privilege belongs to the corporation and not its managers and thus remains with the corporation, regardless who manages it. There is here no question of the documents generated by Reed Smith in the course of its representation of Eletson Holdings being used to assert claims against the party for whom it generated those documents. Eletson Holdings will not sue Eletson Holdings over the arbitration. It may be that the documents will be used by Eletson Holdings to assert claims against its former managers and equity shareholders, if the documents show some sort of wrongdoing. But that does not distinguish this case from any other in which the equity ceases to have value and ownership passes to the debtholders. In all of those cases, the client corporation which paid for and received the legal advice, and not the persons who were the temporary custodians or beneficiaries of its affairs, is the entity entitled to the protection of the attorney-client privilege and to the documents that fall within that privilege. It also may be that the new managers and new owners of Eletson Holdings will provide the otherwise privileged documents to Levona. If it does so, it could only be because those managers decide that it is in the best interests of *Eletson Holdings* and not Levona to do so. There would be no warrant for the Court to interfere in the exercise of that business judgment. Given that the arbitration was not a merger transaction and there was no expectation or agreement that the attorney-client privilege in communications related to the arbitration would belong to Eletson's individual managers and owners rather than the corporation itself, *Tekni-Plex* does not apply.

b. Retaining Lien

Reed Smith also argues that it should not be required to turn over the file because it has a

retaining lien against Eletson Corp. "It is only where there is no outstanding claim for unpaid legal fees that a client 'presumptively' has access to its file." *Law Firm of Ravi Batra, P.C. v. Rabinowich,* 909 N.Y.S.2d 706, 708 (1st Dep't 2010); *see Sage Realty*, 689 N.E.2d at 881 (presumption of turnover only "where no claim for unpaid legal fees is outstanding"). This argument is unlikely to succeed on appeal.

Any lien that Reed Smith had on its client file for Eletson Holdings was expressly discharged under the Plan of Confirmation, pursuant to which it has already submitted a claim to have its attorney's fees paid. Under Section 5.13 of the Plan, all liens against "any property of the Estates were fully released and discharged as of the Effective Date of the Plan." Dkt. No. 202-3 § 5.13. The Estates were defined to mean, "individually, the estate of any of the Debtors and collectively, the estates of all of the Debtors created under section 541 of the Bankruptcy Code." *Id.* § 1.71. Under § 5.2(c) of the Plan, on the Effective Date, "all property in each Estate, including all Retained Causes of Action, and 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 shall vest in Reorganized Holdings, free and clear of all Liens." Therefore, as of the Effective Date, any liens against Eletson Holdings were extinguished. Under the Plan, all applications for allowance and payment of professional fee claims for services rendered and reimbursement of expenses incurred prior to the Effective Date were to be filed on or before the Professional Fee Claims Bar Date. If they were not filed, they were deemed to be waived. *Id.* § 2.4(b). Reed Smith in fact submitted a claim for $17.7 million in legal fees and $597,000 in expenses. Dkt. No. 245-8. Therefore, any amount Reed Smith was owed by Eletson Holdings for its fees was expressly accounted for in the bankruptcy proceeding and otherwise extinguished. Importantly, moreover, Reed Smith's fee application included fees

for services provided not only to Eletson Holdings, but also to Eletson Corp. *Id.; see* Dkt. No. 1325, *Bankruptcy Proceeding*.

Reed Smith appears to concede that Eletson Holdings does not owe it any money. Dkt. No. 274 at 10. However, it argues that it should not be required to turn over its files to Eletson Holdings because "[t]he Plan cannot be read to discharge Eletson Corp's debts to Reed Smith, because . . . non-debtor third parties' debts cannot be released by a bankruptcy plan absent consent by the affected creditor (here, Reed Smith)." *Id.* at 10 (*citing Harrington v. Purdue Pharma L.P.*, 603 U.S. 204, 227 (2024)). Reed Smith's argument is supported by the language of the plan stating that what vests in Reorganized Holdings is "interests held by the Debtors in their respective non-Debtor direct and indirect subsidiaries," not the interests of the subsidiaries themselves. Dkt. No. 202-3 § 5.2(c).

However, Reed Smith's reading of the Plan is undermined by the fact that it has already applied to the bankruptcy court to recover the fee it is owed by Eletson Corp. In doing so, Reed Smith appears to have read the Plan's releases to cover the fees owed by Eletson Corp. and accepted the benefit of payment of fees that was being provided in exchange for the release of debts. *See Harrington*, 603 U.S. at 227; *Matter of Specialty Equip. Companies, Inc.*, 3 F.3d 1043, 1047 (7th Cir. 1993) ("[C]ourts have found releases that are consensual and non-coercive to be in accord with the strictures of the Bankruptcy Code."). Reed Smith would now have it that whatever payment it receives in the bankruptcy is, in effect, a guaranteed minimum, and it can attempt to collect again from Eletson Corp. for the same fees. It has not submitted any authority for that proposition or for the proposition that it can withhold the files from Eletson Holdings, which discharged all of its obligations to Reed Smith, based on the notion that it is still

owed money through Eletson Holdings' subsidiary, Eletson Corp.[11] The provisions of the Plan are clearly intended to allow Eletson Holdings to use its property, including the client file, free of "[l]iens, Claims, charges, or other encumbrances." Dkt. No. 202-3 § 5.2(c). At most, Reed Smith's argument seems to justify "posting of adequate security for payment" by Eletson Corp. *Pomerantz*, 704 F.2d at 682.

Reed Smith is not likely to succeed in preventing the turnover of the Eletson Holdings client file related to the arbitration proceedings.

B. Irreparable Injury

Reed Smith argues that it will suffer irreparable harm in the absence of a stay because "[t]he disclosure of files protected by the attorney-client privileged cannot be undone by any subsequent order of appellate victory." Dkt. No. 274 at 12. It speculates that the privileged documents will be provided by Eletson Holdings to Levona. *Id.* The argument is without merit, because it is Eletson Holdings and not Reed Smith that is entitled to assert the attorney-client privilege. *See Sage Realty*, 689 N.E.2d at 882.[12]

Reed Smith will not suffer irreparable harm by its displacement as counsel or turnover of the client file. An attorney has no independent right to continue as counsel in a case and clearly does not suffer irreparable harm from being discharged by a client or otherwise removed. *See Richardson-Koller*, 472 U.S. at 434. Reed Smith may have an interest in collecting its fees, and

[11] Given that Eletson Holdings is a holding company which is closely intertwined with its wholly-owned subsidiary Eletson Corp., it would make sense for the debts of Eletson Corp. to be addressed in the bankruptcy proceeding, and the proceeding appears to have considered the actions and liabilities of Eletson Corp. to some extent. *See* Dkt. No. 1212 at 23 n.18, 34 & n.31, 88, *Bankruptcy Proceeding*.

[12] Reed Smith's may not rely on injury to "Greek/Liberian entity directed by the Board of Directors provisionally appointed by the Greek Court on November 12, 2024 and the management appointed by that Board," Dkt. No. 274 at 1, which has not appeared in this case and in any case did not exist at the time the documents and communications sought were created.

therefore it could be harmed by losing the protection of the lien over documents. But if it is owed fees that are not paid, that financial damage is the paradigmatic example of an injury that is not irreparable. *See, e.g.*, *Tucker Anthony Realty Corp. v. Schlesinger*, 888 F.2d 969, 975 (2d Cir. 1989) ("To establish irreparable harm . . . [t]he injury must be one requiring a remedy of more than mere money damages."). If, as Reed Smith claims, the purported debt is not discharged by the Bankruptcy Order, Reed Smith can sue Eletson Corp. for damages.

C. Injury to Other Parties

A stay of this Court's order would cause grave harm to third parties. From the moment that the bankruptcy court authorized the transfer of ownership and management of Eletson Holdings, the Court has acted with appropriate expedition. It has done so because of the ongoing proceedings.

Proceedings attempting to enforce the award against Levona have been initiated in England and Greece. Dkt. No. 248-1 at 23 (England); Dkt. No. 276-1 (Greece). There are ongoing disputes in Greece and Liberia regarding which entity has the capacity to speak for Eletson Holdings in those courts. *See* Dkt. No. 50, *In Re Eletson Holdings*, 24-cv-08672 (describing Greek Proceedings); Dkt. No. 13, *In Re Eletson Holdings*, 25-cv-01685 (describing Liberian Proceedings). These disputes exist despite the orders of the bankruptcy court clearly stating that the new board has authority to act on behalf of Eletson Holdings and that "Reorganized Eletson Holdings Inc.'s former shareholders, officers, directors, counsel, and others, as defined in section 1.124 of the plan, are directed to comply with the plan and the confirmation order to assist in effectuating the Chapter 11 plan." Dkt. No. 255 at 2 (quoting Dkt. No. 257-1 at 43:16–20). This Court's orders have been repeatedly cited (frequently misleadingly) in the foreign proceedings. *See, e.g.*, Dkt. Nos. 244-1, 248, 276-2. Staying this Court's order displacing Reed Smith as counsel for Eletson Holdings would sow further

confusion as to the effectiveness of Eletson's reorganization, which is entirely clear under United States law. Moreover, staying the turnover of the Eletson client file would deprive Eletson Holdings of critical material it needs to make a judgment about how and whether to defend itself in these proceedings. Eletson Holdings has made clear its position that it can adequately participate in discovery in this proceeding only when it has the client file. Dkt. Nos. 283–284. Developments in these proceedings have unfolded rapidly in the past four months, and throughout this period the purported "provisional board" has benefitted from the unfair advantage of having access to privileged communications regarding Eletson Holding's strategy in the arbitration, which Eletson Holdings itself lacks. A stay would allow such entity to continue to benefit from its strategy of delay and obfuscation.

D. Public Interest

Throughout these proceedings, Reed Smith has emphasized the need for expedition. *E.g.* Dkt. No. 33. Arbitral proceedings are intended to be addressed quickly. This provides certainty, especially for parties seeking to enforce the award in foreign jurisdictions. At present, there are proceedings in two foreign countries that are substantially dependent on this Court's decision in the ongoing confirmation/vacatur proceedings. If the Court determines that Levona's motion to vacate is without merit, the proceedings before this Court would no longer serve as an impediment to those proceedings. If, on the other hand, the Court determines that the award should be vacated or suspended, the courts in England and in Greece would no longer be able to proceed with their actions. Those actions in foreign jurisdictions are ongoing and there is an interest in this Court proceeding quickly on the vacatur application.

* * *

The passion and length of Reed Smith's arguments, which the Court has had to address, are not matched by their legal force. In the end, the issues are simple.

Reed Smith may not remain as counsel when it has been discharged by order of the bankruptcy court. A stay of the order displacing Reed Smith as counsel would allow Reed Smith's purported clients to benefit from an impermissible collateral attack on such order. Given that Reed Smith is no longer counsel to Eletson Holdings, and Eletson Holdings owes it no money, it must turn over the Eletson Holdings client file. Reed Smith's argument that it is owed a retaining lien by Eletson Corp. is a routine attorneys-fee dispute that does not establish irreparable harm justifying a stay.

CONCLUSION

The motion for a stay is DENIED. The Court grants a temporary stay until Thursday, March 27, 2025, for Reed Smith to seek relief from the Second Circuit. If Reed Smith applies for a stay from the Second Circuit by Thursday, March 27, 2025, the temporary stay shall remain in effect until the Second Circuit decides Reed Smith's stay motion.

Absent a stay from the Second Circuit, the client file shall be turned over by two weeks from the date of this Order.

The Clerk of Court is respectfully directed to close Dkt. No. 273.

SO ORDERED.

Dated: March 24, 2025
New York, New York

LEWIS J. LIMAN
United States District Judge

EXHIBIT “39”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS INC. and ELETSON CORP.,	Case No. 23-cv-7331 (LJL).
Petitioning/Cross-Respondents,	
vs.	**NOTICE OF APPEARANCE**
LEVONA HOLDINGS, LTD.	
Respondent/Cross-Petitioner.	

PLEASE TAKE NOTICE that Kyle J. Ortiz of Togut, Segal & Segal LLP (the "Togut Firm"), with offices located at One Penn Plaza, Suite 3335, New York, New York 10119, hereby appears on behalf of the Petitioning/Cross-Respondents Eletson Corp. ("Eletson Corp").[1]

I hereby certify that I am admitted to practice before this Court.

DATED: November 21, 2024
New York, New York

TOGUT, SEGAL & SEGAL LLP

By:

/s/Kyle J. Ortiz
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Counsel for Eletson Corp.

[1] Following the effectiveness of Eletson Holdings Inc.'s chapter 11 plan of reorganization on November 19, 2024, Eletson Holdings Inc. replaced the board of directors of Eletson Corp. with a new sole director. The new director is working to get up to speed and will identify separate counsel with respect to this matter.

EXHIBIT “40”

UNDER SEAL

EXHIBIT “41”

UNDER SEAL

EXHIBIT “42”

UNDER SEAL