UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

DECLARATION OF BRYAN M. KOTLIAR, ESQ. IN SUPPORT OF ELETSON HOLDINGS INC.'S SUPPLEMENT TO MOTION FOR ENTRY OF A FURTHER ORDER IN SUPPORT OF CONFIRMATION AND CONSUMMATION OF THE COURT-APPROVED PLAN OF REORGANIZATION

I, Bryan M. Kotliar, Esq. hereby declare under penalty of perjury, 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 case.

2. I respectfully submit this declaration (the "Declaration") in support of the *Supplement to Eletson Holdings Inc.'s Motion for Entry of an Order in Further Support of Confirmation and Consummation of the Court-Approved Plan of Reorganization* (the "Supplement")[2] filed contemporaneously herewith and the related *Eletson Holdings Inc.'s Motion for Entry of an Order in Further Support of Confirmation and Consummation of the Court-Approved Plan of Reorganization* [Docket No. 1605] (the "Motion").

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[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 Supplement.

3. This Declaration supplements the Kotliar Declaration filed contemporaneously with the Motion. *See* Docket No. 1606

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

Exhibit	Description
46.	April 17, 2025 Hearing Transcript in Kithira Arrest Proceeding (S.D. Tex.)
47.	Levona Opposition to Cypriot Nominees' Motion to Intervene in Arbitration
48.	Desimusco Trading Limited's Amended Corporate Disclosure Statement
49.	Fentalon Limited's Amended Corporate Disclosure Statement
50.	Desimusco Trading Limited's Corporate Disclosure Statement
51.	Fentalon Limited's Amended Corporate Disclosure Statement
52.	April 24, 2025 Hearing Transcript in Kithnos Arrest Proceeding (S.D. Tex.)

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

Dated: New York, New York
April 29, 2025

/s/ Bryan M. Kotliar
Bryan M. Kotliar

Exhibit 46

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

KITHIRA GAS SHIPPING COMPANY, ELETSON HOLDINGS, INC., ELETSON CORPORATION, ELETSON GAS, LLC,	)	
Plaintiffs,	)	CIVIL ACTION NO. 4:25-cv-00755
VS.	)	
M/V KITHIRA (IMO 9788978), her engines, tackle, equipment, and appurtenances, in rem,	)	
and	)	
FAMILY UNITY TRUST COMPANY, GLAFKOS TRUST COMPANY, LASSIA INVESTMENT COMPANY, ELAFONISSOS SHIPPING CORPORATION, KEROS SHIPPING CORPORATION LASKARINA KARASTAMATI, VASSILIS E. KERTSIKOFF, VASILEIOS CHATZIELEFTHERIADIS, KONSTANTINOS CHATZIELEFTHERIADIS, IOANNIS ZILAKOS, ELENI KARASTAMATI, PANAGIOTIS KONSTANTARAS, EMMANOUIL ANDREOULAKIS, ELENI VANDOROU, in personam,	)	3:00 P.M.
Defendants.	)	
	)	**VIA ZOOM**

MOTION HEARING
BEFORE THE HONORABLE KEITH P. ELLISON
UNITED STATES DISTRICT JUDGE
April 17, 2025

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Proceedings recorded by mechanical stenography, transcript produced by computer-aided transcription.

THE COURT: Good afternoon. Welcome. This is Keith Ellison. We're on the record in Kithira Gas Shipping Company v. the Claimant.

We'll take appearances, Counsel, please. What I want is just the people who plan to speak. I know you've been through the roll call with the court reporter. I just want the people who plan to speak on behalf of Plaintiffs and Claimant.

MR. FLOYD: Yes, Your Honor, good afternoon. This is Edward Floyd from the Floyd Zadkovich Firm on for the Plaintiffs.

THE COURT: Thank you.

MR. BARR: Eugene Barr, Royston Rayzor, for the Claimant. And also with us is Bruce Ruzinsky of Jackson Walker for the Claimant as well.

MR. RUZINSKY: Good afternoon, Your Honor.

THE COURT: Good afternoon to both of you.

Thank you for your writings. They've been very helpful. Have you discussed how you wish to proceed this afternoon?

MR. FLOYD: We have not, Your Honor.

THE COURT: Who is that speaking?

MR. FLOYD: Your Honor, I apologize. That was Edward Floyd for the Plaintiffs who first said, "We have not."

MR. BARR: Your Honor, Eugene Barr. We agree, we have not discussed.

THE COURT: Okay. We have Claimant's motion to vacate the arrest, and Plaintiff's motion to release the vessel. We will start with Claimant's motion to vacate the arrest. In the course of your presentations, I want both parties to give a capsule summary of what you think the effects of the bankruptcy has been upon ownership issues. I'm beginning to think that if it is that unclear, we might want to return to the bankruptcy court and get a clarification. I mean, normally, if there's anything at all that's clear after bankruptcy it's ownership, but there seems to be quite a lot of disagreement about that in this instance.

Okay. Mr. Barr and Mr. Ruzinsky.

MR. BARR: Your Honor, Eugene Barr. Just the way that Mr. Ruzinsky and I are going to handle this, Royston is going to discuss the jurisdictional aspect of our argument as well as the time charter aspect, and then Mr. Ruzinsky will cover the bankruptcy-related items.

THE COURT: Okay.

MR. BARR: And so just, you know, from a 20,000-foot view, you know, this is a complex and ongoing shareholder dispute hinging on control of the company Eletson Gas. Eletson Gas was originally a joint venture between Eletson and a private equity fund Blackstone. Blackstone made a substantial investment in Eletson Gas, and in return for that investment, Blackstone received the preferred shares in Eletson Gas. Under

the framework of the company agreement for Eletson Gas, preferred shareholders controlled the Eletson Gas board, and that control trickled down to each of Eletson Gas' wholly-owned subsidiaries. There's about a dozen of those subsidiary companies that pertain to a vessel in Eletson Gas' fleet. So, basically, about 12 vessels. Kithira Gas is one of those subsidiary companies.

After Blackstone had gotten involved in this JV, they decided to exit the company, and Blackstone sold its shares to another private equity fund Murchinson. And Murchinson in turn headed those preferred shares to its affiliate Levona. Levona is not a party to this case. The Eletson-Murchinson relationship did not go well, and Eletson took the opportunity in March of 2022 to make arrangements for Murchinson's exit from Eletson Gas. And as part of that, two LPG ships were handed to Levona in exchange for the Eletson Gas preferred shares. And then in turn those preferred shares were transferred to three separate entities, Fentalon, Desimusco, and Apargo in March of 2022. And those three companies are what we have referred to as the Cypriot Nominees in our briefing, and on whose ultimate authority and instructions we have appeared in this case.

Levona, apparently, disagreed with the effect of the transfer of the two vessels, and a dispute arose under the company agreement for Eletson Gas. That dispute was referred to a JAMS arbitration in New York as per the terms of the company

agreement. As that arbitration proceeded, things were not going well for Levona and Murchinson. They hedged their bets and cheaply bought up some of Eletson Holdings' debt, and put the company into involuntary bankruptcy in March of 2023. And with the apparent hedge, you know, they lost arbitration. You know, they could -- them being -- turning up as the reorganized Eletson Holdings, and then, you know, perhaps have a favorable position upon, you know, that switch. But Murchinson and Levona not only lost the arbitrations, the hedge didn't work either because the arbitrator had found a year before this bankruptcy the preferred shares were already transferred to the Cypriot Nominees in March of 2022. The arbitration is now the subject of confirmation proceedings in the Southern District of New York, but the arbitrator's findings with respect to the March 2022 transfers of preferred shares to Cypriot Nominees has remained undisturbed to date.

There was also a stay relief order that the parties to the arbitration could not do anything to impair the property subject to that arbitration, and this would include Kithira Gas' time charter interested in the Kithira. So that pretty well explains why Levona is not here. But the way that the Murchinson Plaintiffs have couched this lawsuit is that they have emerged as the victors of this bankruptcy and that that's entitled to take over Eletson Gas and its interest in this Kithira vessel. We would -- our briefing, of course, has

covered that. You know, we certainly disagree with that. We don't think there's any order or award that's consistent with that. The preferred shares were never part of the bankruptcy estate whenever that bankruptcy action was initiated about a year after the --

THE COURT: That's the part that puzzles me. Normally in a reorganization -- I know this is a creditor-induced bankruptcy; it got converted by Chapter 11 reorganization -- there are some reordering of rights and priorities. And I thought what happened in this creditor-initiated plan was that equity is wiped out and shareholders -- and various creditors became shareholders, which is a very common transformation in a bankruptcy. There's no money to pay the creditors, much less anything left for equity, so equity gets wiped out to be replaced by new equity.

Is that not what happened here?

MR. BARR: Your Honor, if it's okay with the Court, I'll defer that to Mr. Ruzinsky since he's got the bankruptcy expertise.

THE COURT: Mr. Bruce, how are you?

MR. RUZINSKY: I'm fine, Judge. Thank you very much. This is Bruce Ruzinsky with Jackson Walker for the Claimant. So, you know, my reading of the confirmed plan is that the shares in the debtor, principal debtor here at Eletson Holdings, were wiped out and new shares were issued and creditors of

Eletson Holdings got those at distributions under the confirmed plan. But there was nothing I see in the confirmed plan that changed, got rid of, substituted the ownership interest in Eletson Gas, which is the entity that controls the -- this SME and this vessel. So while there was a change or conversion from, you know, canceling stock and paying creditors in stock, that was not -- those were not ownership interest in Eletson Gas or in the SME, which owns the vessel in dispute here.

THE COURT: So you're saying the defect in Plaintiffs' argument is that the ownership interests of the vessel were never anticipated in the bankruptcy?

MR. RUZINSKY: That's correct, Your Honor.

THE COURT: Because normally common shares and preferred shares are part of -- I mean, they're prioritized, but they're both equity of a different company. It seems odd to me common shares of a company would be in bankruptcy and preferred shares would not be.

MR. RUZINSKY: So in this case, Your Honor, you had the common shares in --

THE COURT: Hold on just a second. Hold on a second. We got some interference.

Does the court reporter need anything repeated?

THE COURT REPORTER: No, Judge. Thank you.

THE COURT: Okay. Carry on, Mr. Ruzinsky.

MR. RUZINSKY: Thank you, Your Honor. In this case,

the common shares in Eletson Gas were owned by this company Levona. And pursuant to the arbitration, those preferred shares were found to be transferred to the Cypriot Nominees as of March 11th, 2022. The common shares in Eletson Gas were the property of Eletson Holdings. And you can see that in the bankruptcy schedules that were filed.

THE COURT: But the preferred shareholders knew about the pendency of the bankruptcy. Wasn't it their -- was it their obligation to come forward and set forth their arguments as to why the preferred shareholders aren't retaining control?

MR. RUZINSKY: Well, Your Honor, you're referring to control of a non-debtor entity of which the debtor was a minority interest owner in. And under those facts and circumstances, I don't think there was an obligation on the part of the preferred shareholders to go to the bankruptcy court and clear up anything because the corporate governance was clear. The common shares in Eletson Gas rode through the bankruptcy. Eletson Holdings started with those shares; they ended with those shares; they didn't get any more or less than they had going into it.

THE COURT: Okay. Well, that's helpful that your argument has some transactional history in the bankruptcy.

Let me hear from the other side on that set of related points.

MR. FLOYD: Thank you, Your Honor. It's Edward Floyd

speaking for the Plaintiffs. Of course, we disagree with the description here. I will address that background, but I think as a preliminary point I should note that our position is, and I think it's quite clear, that the claimants are interjecting the preferred shares issue into this proceeding because they want to try and cast this proceeding as being a shareholder dispute. It is not a shareholder dispute in any way, shape, or form. The fact of the matter is, and the reason for that, is that the status quo is that the ownership of Eletson Gas, which then in turn has the entire ownership of Kithira Gas, the ownership of Eletson Gas is currently that the common shares are held by Eletson Holdings, and that the preferred shares are held not by the so-called Cypriot Nominees. And I'll walk through how that works, with the key consideration to keep in mind with respect to that are that the arbitration, the JAMS arbitration award, has not been confirmed. There is no judgment from the Southern District of New York confirming that award, and confirmation of an award is how it becomes enforced. That simply does not exist. And in the S.D.N.Y. confirmation, slash, vacatur proceedings before Judge Liman, the issue that has been raised for vacatur of the underlying award is that there has been fraud before the arbitrator. And so that goes back to the narrative that was in part just described by the claimants' attorneys. What was left out is what has come to light.

Circa 2020, Eletson Gas was owned by Eletson Holdings

having the common shares and Blackstone entity having the preferred shares. As of April of 2021, maybe a bit earlier, maybe a bit later, Eletson Gas, and the group in general, had financial difficulties. Shifting forward into 2022, Levona purchased the preferred shares from Blackstone, and subsequently a while later, Levona and Eletson Holdings entered into a so-called binding offer letter, a BOL, as they termed it, by which part of the function there was to enable Eletson Holdings, at that time under different ownership, to receive a $10M loan from Levona. In exchange, Eletson Holdings/Eletson Gas had to transfer some ships, I believe it was two vessels, to Levona, and there was an option, a purchase option. The dispute that went to arbitration was over whether or not that purchase option was exercised. And from the start of the arbitration in July of 2022, well into 2023, and I'll get to that in a moment, Eletson Holdings, again still under the old ownership, same people as who are now standing behind Cypriot Nominees, Eletson Holdings' position was that the preferred shares had to be transferred to it, to the entity Eletson Holdings, however, after the bankruptcy proceeding was commenced, and subsequently converted into a voluntary Chapter 11 by Eletson Holdings. So it was not involuntary as things moved forward. After commencement of the bankruptcy proceeding, Eletson Holdings, again, same people as the current Cypriot Nominees, sought a so-called stay relief order from Judge Mastando in bankruptcy court so that the

arbitration could proceed. And that stay relief order, from what I understand, I wasn't a part of it, was negotiated on a joint basis. And that stay relief order allowed the arbitration to continue to an award, but very, very expressly said, no enforcement whatsoever. And the exact language is, of course, quoted in our papers and exhibits are annexed. No enforcement, whatsoever, of the award until going back to the bankruptcy court to get an ensuing order. Eventually, the award came on out. And soon thereafter the old Eletson interests took it to the Southern District of New York for confirmation proceedings before Judge Liman. And Judge Liman, while not issuing a judgment to confirm the award, agreed with certain provisions in it, but sent it back on, further procedural matters had to be addressed.

But in early 2025, it came to light, and was raised by reorganized Eletson, and the other interests on the other side, that there was very strong indicia of fraud during the arbitration, undertaken by the old Eletson interests. And what that fraud entailed is quite -- alleged fraud, to be clear, entailed is quite important to keep in mind. The essential position, again of the old Eletson Group, had been that the shares, the preferred shares, needed to be transferred to them. And they maintain that position from the start of the arbitration up until nine days after the stay relief order. After the stay relief order went into effect, the old Eletson

Group completely shifted their position, and they suddenly invented that the shares needed to go to the so-called Cypriot Nominees. And they have been expressed that the reason they took that change of position, and, again, the language is quoted in our briefing, was that they wanted to effect essentially a "Heads you win, tails you lose" situation. I think I got that analogy wrong there, but basically a problem for the other side. They contended that they had sold that option right to the Cypriot Nominees for 3 million euro, which is far, far less. Talking a fraction of the value of these assets. And there's also zero evidence that a payment of 3 million euro was ever made, and that this was all done pursuant to an oral agreement amongst three Greek families. But, again, no payment made, or anything like that, where this issue that came to light only after the stay relief order was entered.

On top of that, it came to light that after commencement of the arbitration, at a point in time when the old Eletson Group was still contending that they had effected the purchase option, they were out there trying to raise money so that they could buy the fleet, which completely undermines that they had ever actually effected the purchase option. So Judge Liman is now dealing in the S.D.N.Y. with a vacatur application on the basis of fraud in the arbitration. Where does that leave us currently? It means that there is zero effect at present to the award. Number one, if it goes back to -- if it's sent back to

the arbitrator, I don't know how that would work procedurally, but if it were, then the award needs to be revisited. There's currently no confirmation of it. And even if Judge Liman were to confirm some or all of the award, which we think is highly, highly unlikely, any resulting confirmed award would still have to go over to the bankruptcy court before enforcement by virtue of the still in effect stay relief order. And even if relief were granted to allow enforcement by bankruptcy court, Judge Mastando, then we go back to the plan. And I realize that my adversaries here, my colleagues, that this plan does not deal with the preferred shares; however, at Section 5.2(c) and 5.15(a) of the plan, which has been in effect -- the effective date was November 19th of last year, those two sections, and again quoted and annexed to our briefing, do address the preferred shares. They talk about reserved actions that are owned by Eletson Holdings, and that the scope of reserved actions, meaning the right to bring any sort of preference claim or fraudulent transfer claim or voidable transaction claim, whatever one wants to call it and whatever rule or statute one might use, but those are reserved actions and so that Eletson Holdings and the other debtors could still bring those types of fallback claims with respect to the supposed transfer for a 3 million euro sum that was never paid to the Cypriot Nominees, who popped out of nowhere to try to throw more sand in the workings here.

So the current status quo -- that's redundant -- but the status quo is that the Cypriot Nominees do not own the preferred shares. And anyone and everyone who actually does have a right to claim those preferred shares has sanctioned, has approved, and reorganized Eletson Plaintiffs going forward with the seizure of this vessel because the fact of the matter is they injected $53.5M worth of new cash into the group, and did an exchange of debt, the range of debt was quite substantial, an exchange of debt for equity, yet they have not received a single penny or revenue from the fleet that they have effectively purchased. That's a fleet of 16 vessels. They haven't gotten a penny from it because all the freight revenue is going to unknown persons and unknown -- largely unknown bank accounts under the control of the so-called Cypriot Nominees and the persons hiding behind them.

THE COURT: Okay. The thing that puzzles me is how any plaintiff could go forward and not include preferred shares. Was it just not argued? Was it not known? Why were preferred shares not dealt with in the bankruptcy?

MR. FLOYD: Your Honor, our take is that preferred shares are addressed in the bankruptcy plan by way of the reserve action provisions in 5.2(c) and 5.15(a), which reserve that issue so that if in the unlikely event the Cypriot Nominees were to prevail in the arbitration confirmation process, those shares can still -- the preferred shares could still be clawed

back to the Eletson Holdings Group, meaning reorganized holdings, reorganized Eletson, because they weren't purchased for anything, best anyone can tell. And even if some cash was exchanged, it was a fraction of the actual value of the assets.

MR. RUZINSKY: Your Honor, may I respond?

MR. FLOYD: Pardon me, Your Honor.

THE COURT: Just a second, let me stay with Mr. Floyd for a minute.

So you're saying it was a part of the conveyance?

MR. FLOYD: Yes, Your Honor, that the reserved actions provision in the plan preserved as part -- essentially as part of the estate. And I use the word "estate," knowing that this is post-effective date. But the provision in the plan says that it's preserved regardless of -- if the issue is raised after the effective date, that right to fraudulent conveyance was preserved.

THE COURT: But what puzzles me is why would anybody put in new money and take common share ownership if they were doing it to preferred shares?

MR. FLOYD: Their view is that they were getting the entirety of everything, Your Honor. Nobody would put in this sort of money not to get the entirety.

THE COURT: Okay. I think Mr. Ruzinsky wanted to say something?

MR. RUZINSKY: Thank you, Your Honor. This is Bruce

Ruzinsky with Jackson Walker for the Claimant. There are retained causes of action in the plan. It's just a cause of action, right. It's not self-effectuating anything. We have an arbitration that found, and it can't be disputed, but the arbitrator found that the preferred shares are owned by the Cypriot Nominees as of March 11th, 2022. I understand that folks on the other side don't like that, but it is a finding by the arbitrator. And there have been multiple orders of the S.D.N.Y. that have, you know, affirmed or accepted in part the arbitration award, and none of those orders have changed the finding, vacated or changed the finding, that the preferred shares are owned by the Cypriot Nominees as of March 11th, 2022. And, you know, just having a cause of action to go sue somebody, doesn't change the ownership of the shares. And --

THE COURT: I still don't understand. And I'm sorry I'm being remedial on this point, but why would anybody put in new money and get the common shares if someone else had the preferred shares?

MR. RUZINSKY: I don't know the answer to that question.

MR. GEORGANTAS: Your Honor, if I may. This is Dimitri Georgantas, Your Honor. I think a partial explanation for your question --

THE COURT: Who's speaking? Who's speaking?

MR. GEORGANTAS: Dimitri Georgantas, Your Honor. Good

afternoon. There were more than -- the vessels in the fleet were more than just the Eletson Gas vessels. And I think that detail may have been, you know, left out in the presentation.

THE COURT: Did the preferred shares give acquiescence to the other holdings, including other ships?

MR. RUZINSKY: Your Honor, this is Bruce Ruzinsky.

THE COURT: Let me get an answer from Mr. Georgantas, please.

MR. GEORGANTAS: The preferred shares that are at issue that we discussed today, Your Honor, refer to the gas vessels that are under the Eletson Gas structure and the SMEs. Those are the vessels that are being, you know, discussed today, or at least, you know, three of those vessels -- or today one of those vessels. Three of them are in the district under arrest.

THE COURT: Okay.

MR. FLOYD: Your Honor, this is Edward Floyd. Thank you, Your Honor.

MR. GEORGANTAS: What I'm trying to say, Your Honor, is that the Eletson Holdings was a larger fleet beyond the vessels that we're discussing today that -- beyond the gas vessel. There were other vessels as well.

MR. FLOYD: Your Honor, if I may. Two considerations to keep in mind here. Number one, the stay relief order that was entered by the bankruptcy court remains in effect. And while it's described as being a stay relief order, the relief

means relief from the automatic stay. But it also stayed any enforcement, whatsoever, of an arbitral award. And so that includes any enforcement based upon findings in the award, or so-called findings in the award. Point number two -- and I actually apologize, I have three. Point number two is old Eletson's attorneys have referred to the award having findings and that they can rely upon that, but I think everybody on this call knows that an arbitral award is just a piece of paper until it's been confirmed, and here it has not been confirmed. And those two first considerations come together with a third one, which is that earlier this year, not very long ago at all, when Judge Liman in the District Court vacatur, slash, confirmation proceedings learned that the old Eletson Group persons had gone off to Greece and on their own, circa February, maybe March, it was February of 2024, and engaged in purported self-help to stealthily, undisclosed try and change the share register and trying and exchange the directorships at Eletson Gas. That was one of the points that was noted by Judge Liman when earlier this year he said, and I'm not precisely quoting, but the old Eletson folks have been going about and making misrepresentations or inaccurate descriptions of what this Court has held and stating that they have the power to do things, such as changing share registers. All of that needs to stop. Everything is getting decided together so that, whether it's confirmation or vacatur, it all goes up to the Second Circuit

collectively. And that's where the matter stands right now. No award has been confirmed, therefore, as a matter of law, under U.S. law, the old Eletson people, the Cypriot Nominees, cannot say that they have ownership of the preferred shares. They just don't have it at present. We don't think they'll get it in the future, but they don't have it right now, and that means they lose.

MR. RUZINSKY: Your Honor, may I respond to that?

THE COURT: Who's speaking please?

MR. RUZINSKY: This is Bruce Ruzinsky.

THE COURT: Yes. Go ahead, Mr. Ruzinsky.

MR. RUZINSKY: Thank you, sir. I think we cited in our papers that, you know, an unconfirmed arbitration award is still a contract between the parties who agreed to binding arbitration, and cited Second Circuit case law to that effect. Also, the provision from the stay order that was referred to, which I think is number paragraph four, three or four -- number paragraph four that talks about a stay. In Docket No. 67-3, at page 37, I believe the bankruptcy judge was asked to interpret this language, and stated that it -- that that means the parties are prohibited from executing on these. It says there that in addition the Court finds that any potential harm to the debtors' estate is ameliorated by the terms of the stay relief stipulation, which requires the arbitration parties to abstain from executing on the final award absent further order of the

Court. We have a very different view of the effect of the arbitration award at this point in time. We don't believe that it goes away, that the findings of that Court go away, and are just to be totally ignored pending the entry of a final arbitration award.

And in Docket No. 55-4, on page 90, which was the first S.N.D.Y. order partially confirming the award, the District Judge, Judge Liman, interpreted this paragraph in the stay relief order. And I believe he said there that the stay relief order by its terms does not purport to expand the scope of the automatic stay. And so, you know, the preferred shareholders relying upon a finding of the arbitration, the arbitrator in the arbitration award, they should be able to rely upon that unless and until it's changed; they've got a contractual right, an enforceable contractual right, before there is a final award. And, you know, ultimately the final award will say. But pending the entry of a final award, we believe strongly that you just can't ignore the conclusion of the arbitrator as to who owns the preferred share.

MR. FLOYD: Your Honor, it's Edward Floyd. If I may speak.

THE COURT: Yes, you may.

MR. FLOYD: Thank you, Your Honor. First and foremost, even if that were the law with respect to unconfirmed arbitral awards, that assuredly would not be the situation when

there are well-particularized grounds to allege that the award itself was procured by fraud. I mean, that just goes to fundamental law there. A contract that's entered into on a fraudulent basis is not going to be enforceable on any number of different grounds. And here we have a situation where, last minute, they shifted their pleadings and said, hey, these shares, the preferred shares, should be going to the Cypriot Nominees, not to Eletson Holdings because we don't want Eletson Holdings to get them anymore. That's bogus. That is fraud and especially when it comes to light afterwards that they hadn't purchased them; that they were still trying to raise money to purchase them, or at least there's documentation that's been shown to the District Court supporting that. That looks an awful lot like fraud. And no award, even if the law supported what we just said, would be enforceable when there's indicia of fraud.

On top of that, the fact of the matter is that whether we're looking at Chapter One or Chapter Two of the Federal Arbitration Act, the way that an arbitral award is enforced is by having it converted into a judgment. Once somebody gets the judgment, then they can use judgment enforcement procedures and hold themself out as entitled to the relief provided in the award as confirmed by a court judgment. That, of course, being subject to whether or not there's a stay, which there is a stay here by virtue of the stay relief order. But what was just

described is simply not the law. An arbitral award on its own is a piece of paper, and is not enforceable until it's reduced. It's not enforced until it has become a judgment and, thereafter, judgment enforcement procedures can be utilized. That was laid out clearly. I know Second Circuit law on this, but in VRG Aéreas -- I apologize. I don't have the full name of that case, but it's from circa 2016, 2017 in the Second Circuit, and explaining how awards are confirmed, and what the proper terminology should be for doing so. And enforcement of an award is getting a judgment. Then you enforce the judgment. Before that, it's just a piece of paper.

THE COURT: But how could this issue have been missed in the bankruptcy reorganization? It's such a huge issue who owns the shares of that company. Did the parties agree to defer it to the arbitration? Or was it just ignored? Or -- help me on that, would you, Mr. Floyd?

MR. FLOYD: Your Honor, I was not bankruptcy counsel, so I can't pretend to be intimately familiar with it. But my understanding is that it's because of 5.2(c) and 5.15(a) there was recognition at the time that the plan went into effect that the stay relief order was still effective. And the timeline for continuing effectiveness of the stay relief order ran onwards. It was very clear that nothing could be done with respect to the preferred shares at the heart of the arbitration until somebody went on back to the bankruptcy court and got an order from the

bankruptcy court allowing something to be done.

THE COURT: Well, that makes no sense given -- given the new cash that's been put in by the common shareholders. That makes no sense at all that the common shareholders would put in substantial new cash knowing that they might not even get control of the company for their investment.

MR. FLOYD: Your Honor, it was not that they wouldn't get control of the company. The arbitration was between -- the arbitration was meant pre-bankruptcy, and was by old Eletson, but prior to reorganization, and under the control of its old owners at that time against Levona. And Levona, in conjunction with the stay relief order -- excuse me, in conjunction with the bankruptcy and putting in its cash to the bankruptcy plan, was getting all of the rights of old Eletson. So even if old Eletson had prevailed in the underlying arbitration, that would have included the preferred shares. What I'm trying to say there, and I recognize it's a complex situation, and we can certainly readdress this if it would please the Court in papers, but the preferred share dispute in the arbitration was between old Eletson, Eletson Holdings, and Eletson Corp pre-bankruptcy, and Levona.

THE COURT: Okay.

MR. FLOYD: Old Eletson --

THE COURT: All right. Go ahead.

MR. FLOYD: Old Eletson's position up until the stay

relief order was that it was entitled to the preferred shares. And so the position is -- the expectation was that those preferred shares were a part of the bankruptcy estate. That may be an issue. It looks like it's an issue for the bankruptcy court ultimately, but as of today, the Cypriot Nominees do not own those shares, and that's all that matters for this case here, is that the Cypriot Nominees don't own the shares at present.

THE COURT: Okay. All right. Let's go back to the things y'all do want to talk about. Claimant's motion to vacate the arrest. We'll go back to -- Mr. Barr, do you want to talk about that further?

MR. BARR: Yes, Your Honor. And so I think a lot of the commentary we've had here during this hearing speaks to the heart of our jurisdiction arguments here that, you know, how is this a maritime case? At its heart, it is a shareholder dispute. We're hearing discussions of needing to go back to Judge Liman, needing to go back to the bankruptcy court. You know, we've cited a number of cases that show that, you know, an agreement to enter into a business to operate a vessel is not a maritime agreement. That is precisely what this Eletson Gas Limited Liability Company Agreement is, and that's currently in dispute in New York. They put the cart before the horse, if they even prevail on this by arresting this ship and the two others ones. It's a half baked suit that they're not entitled

to bring. And it certainly does not fall under the Court's admiralty jurisdiction. The grasp that -- you know, it goes beyond just their claims on the surface, but also they have a conversion right cause of action, but, again, that emanates from this partnership or this shareholder dispute. This is a land base contract that does not fall within the Court's jurisdiction. And, you know, on top of it, this is a time charter. And the case law is clear that in a Rule D context, a Rule D arrest is available to either an owner or a bareboat charter. Kithira is neither. Kithira, while the charter party does speak to crewing and, you know, responsibilities with relation to where the vessel can and cannot go, owners retained responsibility for the maintenance, inspection, repairs, and insuring of this vessel. This was not a complete handover, as what you would see in a bareboat charter party agreement. In addition, there are a couple of instances, at least within the charter party, where it's clearly stated, this is not a bareboat; it is a time charter. And it was just not a complete handover. And without that, this time charter interest is not even sufficient to invoke Rule D.

THE COURT: Thank you.

Back to Mr. Floyd.

MR. FLOYD: Yes, Your Honor. I think I've said enough regarding the argument that this is a shareholder dispute. But just to recap there, it simply is not a shareholder dispute.

The Claimant's assertion of their claim, effectively a defense of some sort to the converging claim against them, is what tried to interject a purported shareholder dispute into this matter here, but it doesn't have anything to do with it in reality. They can argue that all they want as a defense to the converging claim, but the reality is current status quo Kithira Gas owns -- excuse me, Kithira Gas is the charterer; Kithira Gas is wholly owned by Eletson Gas, and Eletson Gas is split between common shares with Eletson Holdings, and the preferred shares with Levona. That's the current status quo under U.S. law. Nothing changes that. This is not a shareholder dispute.

On top of that, as far as the jurisdictional argument goes, adverse counsel just mentioned that we have a converging claim too. I don't think that that's at all a crazy converging claim to make when one management company, here Eletson Corp, is the vessel management company. Eletson Corp was a debtor in the bankruptcy court proceedings. Eletson Corp is owned by our clients now. Eletson Corp is one of the plaintiffs. And it's supposed to be the manager of the Kithira, but the Kithira's crew, from the master on down, are not taking orders from Eletson Corp. So whoever they are taking orders from, or the crew themselves, has converted that vessel. We cannot -- I should correct myself. Eletson Corp was not a debtor in the bankruptcy proceeding, but is wholly owned by the debtor, Eletson Holdings. But Eletson Corp is the manager, and it's not

able to give instructions, not able to manage the vessel because somebody else had converted it, and that somebody else are the Claimants here. That's a pure maritime claim. There is no legitimate dispute about that.

On top of that, Rule D is for petitory and possessory actions. We are seeking -- our clients are seeking possession of this vessel. I think that that is clear as day. And we have a charter that talks about possession, and it talks about -- has clauses by which claimants' counsel just mentioned, allocate responsibility and power for crew control and selection to Eletson Corp. That is not an ordinary time charter by any means whatsoever. Time charters, ordinarily the owner under the time charter, maintains the crew, provides the crew, the charterer -- the time charterer does not. Here, there are numerous provisions -- they're all addressed in our papers; I think pages 14 through 17 or 18 -- but numerous provisions in this so-called time charter, all of which look an awful like a bareboat charter because it really is a bareboat charter at the end of the day. And even if it were not a bareboat charter, it's a so-called concealed security interest for sale of the vessel. The vessel was originally owned by one entity, sold on back, and then transferred possession via the chartering arrangement. All of those considerations though are within the scope of Rule D. And most importantly, the time charter talks about possession of the vessel and the charterer having possession, as well as

appointing the crew, which is how one possesses a vessel. There's no other way to do it, other than arrest. And so this dispute is about -- well, the assertion of rights via Rule D is about Kithira Gas reobtaining, asserting its right possession of this vessel via the crew, which needs to be replaced.

THE COURT: Okay. Thank you very much.

Back to Mr. Barr.

MR. BARR: Your Honor, back to the jurisdictional aspect of this. I mean, these sorts of arguments have been addressed in cases before the Fifth Circuit, the Dredge La Choncha, and then also the Lady Lucille. And, you know, the gist of it is that, you know, merely characterizing a dispute as possessory or petitory, as the Plaintiffs are doing here, is not enough to turn the case into a maritime matter. I mean, whenever there's a pre-existing business relationship, and there's a dispute pending, such as arbitration, which was also an issue in the Lady Lucille, you know, the Court doesn't just jump in and assert maritime jurisdiction. The parties need to play it out with -- you know, where their shareholder dispute is pending. It doesn't occur just because they're saying we want to take the ship this has automatically become a maritime case. At its heart, it is a land-based business dispute over control of Eletson Gas, and that's already pending in New York. They're basically asking for a third forum here to potentially supplant or usurp what's going on up in New York. And we respectfully

believe that Eletson jurisdiction should not be invoked to basically interfere with what's going on already in New York.

THE COURT: Thank you.

MR. FLOYD: Your Honor, if may.

THE COURT: Is this Mr. Floyd?

MR. FLOYD: Yes. Thank you, Your Honor. A couple of quick things there. The Lucille matter that was just referred to was a ship building dispute. This matter here is about vessel and navigation, or at least which was in navigation and commerce. Ship building disputes, obviously -- I don't think anybody is going to argue that a ship building dispute, just like a vessel sail agreement is not a maritime contract. Likewise, the Dredge La Choncha was a ship sail dispute. This is not like that. This is also not a situation where Mr. Barr referred to there being a pre-existing business dispute. No, there's not. There's no pre-existing business relationship here. There is only -- as Judge Mastando and Judge Liman had said repeatedly, there is only one Eletson Holdings, and on down the chain. Two entities don't come into existence merely because old ownership interest, old equity behind a debtor are dissatisfied with the way a bankruptcy turns on out. There's only one for each of these entities. There is no pre-existing business dispute. What this is about is people who should not be able to appoint crew and have no right to appoint crew, have inserted themselves and usurped the right, the power, to do so.

And whatever happens in a bankruptcy proceeding, and the arbitration vacatur proceedings, and so forth, there's one thing that everybody can be very, very certain of, these folks on the other side are going to sail that ship, if they ever get their hands back on it, around the world and keep it as far away from the reach of anyone, other than themselves, who would prevail. And we also believe that we will ultimately prevail in whatever is going on up here in New York.

They're never bringing that ship back. We've gone through in our papers and pointed to the various instances where they have gone to great lengths and unsafe lengths, to be clear, to prevent arrests. Down in Panama, with a ship called the Kimolos, they tampered with the AIS system and had the ship's AIS, the satellite system that shows where a ship is, and is part of the whole safety management program, IMS code --ISM code, excuse me, they projected it on the other side of the Panama Canal just to try to avoid an arrest. And up here in the U.S., another ship, Kinaros, was scheduled to come on in and pick up 300,000 barrels of crude. And what did they do when they saw minutes after, maybe an hour after an arrest application was filed? They turned the ship around and she sailed off, and she's floating around the Caribbean. First floating in the direction of Jamaica, and now it's just floating around doing nothing. I don't know what happened to that charter revenue. It's quite concerning considering that we own

the vessel. This ship is never coming on back, and we need to hold onto it now; otherwise, the good things that the creditors in the bankruptcy proceeding did, injecting $53.5M in exchange in debt for equity to resuscitate a fleet, they're never getting any of those ships on back. And that would be a crying shame. It would be a travesty in this situation. It's not how anything in the U.S. is supposed to work.

THE COURT: Okay. Thank you. I've got to take a break to deal with my 4:00 docket. Don't go way. It will be about ten or fifteen minutes. Thank you.

(Whereupon, a pause was held in the proceedings.)

THE COURT: Okay. This is Ellison. I'm back.

Mr. Floyd, are you there?

MR. FLOYD: Yes, Your Honor, I am. Ed Floyd here.

THE COURT: Mr. Barr, are there?

MR. BARR: Yes, Your Honor.

THE COURT: Mr. Ruzinsky?

MR. RUZINSKY: Yes. Yes, Your Honor, I'm here.

THE COURT: Okay. Mr. Georgantas.

MR. BARR: I think he'll be back in a minute, but we're happy to proceed, Your Honor.

THE COURT: Okay. We haven't talked about Plaintiff's motion to release. It seems like both sides agree that we shouldn't release the vehicle, and sort of back and forth as to what we do with the crew and the proceeds of any money that the

ship earns while it's released.

But, anyway, it's Plaintiffs' motion. You could begin, Mr. Floyd.

MR. FLOYD: Your Honor, I apologize. I just couldn't hear the question there to me.

THE COURT: I said, it's your turn. You can go first.

MR. FLOYD: Oh, on the vessel release.

MR. RUZINSKY: Your Honor, and I apologize for interrupting. This is Bruce Ruzinsky. It's a question for the Court. Is the Court -- does the Court want to hear or will entertain any more input on, you know, what we were addressing before or does the Court consider that done and we're moving on to the next matter?

THE COURT: I want to go to the Plaintiff's motion for release, and we'll circle back at the end to whatever unfinished business there is.

MR. RUZINSKY: Thank you, Your Honor.

MR. FLOYD: Thank you, Your Honor. Yes, Your Honor, Edward Floyd speaking for the Plaintiffs. Motion to release, I don't think it's in dispute that the Court has the power to do so under Rule E(5). You're authorized to release under conditions that the vessels -- otherwise, this vessel is a wasting asset that is not in anybody's best interest. That does not appear to be in dispute that the Court has the power to do so. Our approach to making that, and the reason that we have

made that motion, is to prevent ongoing waste. But in order for there to be a release, there needs to be substantial mechanisms in place to protect the Plaintiff's position. And given these slew of instances, which are just some of the circumstances that are out there that I just recently described, the actions messing around with AIS system down in Panama, turning a vessel that was supposed to pick up crude in Texas around to avoid an arrest, and also even with the three vessels that have been arrested, seized under Rule D in Texas already, waiting until odd hours of the night to then come on in to berth, and that all being supplemented with things that have occurred elsewhere in the world with the old Eletson interests, the so-called Cypriot Nominees, going around and telling other forum that they have the right to do various things, such as reappoint directors and change shareholder registers. We have very, very substantial concerns. Indeed, we don't expect that the ship would ever come back if crew loyal -- either loyal to our clients or completely neutral; we're not on there. And that's why our motion proposes protective considerations, but I won't reiterate them all here right now. They're obviously in the papers. But first and foremost, the crew, from the master on down, needs to be replaced so that the vessel is loyal to the management company that is actually the management company, that being Eletson Gas -- excuse me, Eletson Corp.

Likewise, as far as revenue goes, the vessel is going

to earn revenue. We have proposed that that revenue come on into some type of an escrow arrangement, which can then be used to pay actual operating costs (OPEX). And I'm sure some details will need to be worked out on the OPEX, what's in, what's out, and so forth, but that would seem very, very doable. And then in terms of how to agree upon -- I mean, how to choose what voyages, what charters the vessel should undertake. The proposition proposal that we've made in our papers was a commercial -- what we think is a commercially reasonable one. We thought about, you know, how do you figure out what's the best charter to take; what's the best voyage to do from a revenue perspective when you have potentially competing interests out there. And the proposal I put forward was to have a panel of four respectively appointed by the competing parties, four brokers, and essentially choose whatever would be the best rate. Frankly, if it was a single broker from one of the big shops out there, if there's any -- well, there's a handful of them. But one of the large major brokerage houses, that would likely be acceptable as well. And then we do think it's important to have trading restrictions on this ship. But that's kind of the four prongs of what we see as precautions to make sure that the ship doesn't abscond from an arrest. Obviously, it's quite concerning to get a ship back underway when it's under arrest and you expect it won't ever come back if you don't have protections in there. That's why she had to be arrested in

the first place. We think the proposal is quite a reasonable one. And given the circumstances, and the way that the so-called Cypriot Nominees, and people behind them who have been sanctioned, subjected to sanctions in the bankruptcy court, have conducted themselves, it's exceedingly reasonable to make those types of proposals and have those concerns.

THE COURT: Thank you very much.

MR. FLOYD: Thank you, Your Honor.

THE COURT: Mr. Barr.

MR. GEORGANTAS: Your Honor, Dimitri Georgantas, if I may respond.

THE COURT: Yes, you may.

MR. GEORGANTAS: So a lot of wild and unfounded allegations from Mr. Floyd. And these are coming from, number one, the folks that arrested the vessel and vessels, the other two, in the first place, and now describing it as a wasting asset. So having created the situation in the first place and having prolonged this process, they're now coming and offering to release the vessel, but it's an obvious and faintly failed total suggestion. What they're really asking is a backdoor way to take possession of the vessels or take the keys to these vessels by basically putting their own crew and all the other things that they are suggesting.

First of all, I would respectfully remind the Court that these allegations about the wrongdoing that our folks have

been doing with these vessels, they're coming from a group of people that the arbitrator described, and this is the arbitrator that actually heard and saw witnesses, described them as acting in bad faith, deceitful, wanton, and in a corrupt manner in which Levona treated the Claimant. That's a pretty close quote from what the arbitrator said. So these allegations and mudslinging, that's where they're coming from.

Beyond that, and with respect to the three vessels being here at the anchorage in the middle of the night, and whatever other conspiracy theories they're throwing, there's a number of reasons why vessels aren't at the anchorage: Cargo is not available; the terminal is not available because there's another vessel waiting; vessels come and go at all times of the night subject to availability to come in and load. None of that was explained. It was conveniently omitted from counsel's presentation. What is undisputed though in this district is three orders have been issued, one by Your Honor, the other two by magistrate judges in Corpus Christi with respect to these vessels, and they were in line with producing documents, sending regular reports to the custodian in terms of, you know, safety concerns. And on one occasion, the vessel, Ithacki, which was arrested off the coast of Point Comfort, had to physically move to Corpus Christi in order to be able to be supplied easier from logistics. There was an agreed order that was signed, but in order to make this journey of whatever it was, four or five

hours, safely, she had to leave the jurisdiction of the court necessarily just because of the distance. Nonetheless, she left, and she went into Corpus just as promised. Bottom line is that all three court orders that were actually issued in this district were complied with by the claimant with respect to all three vessels.

This is not the first time that they've tried to replace the crew. Their initial attempts, including in this court, were to replace the master with allegations or non-cooperation, and all kinds of other issues that they were throwing out. And, of course, all three requests were denied by the Courts, including yourself. That was some time ago. No problems have taken place since then. So in terms of our credibility here, we find it a bit - it's not a lot disingenuous on the position that somehow the people that have done what was described by the arbitrator are now trying to, you know, paint us in that picture.

With respect to some of the proposals that have been made, while we agree the Court has discretion in terms of the -- the terms of the vessel release, what they're requesting, Your Honor, is without precedent. And, of course, there were no cases that they could really point out to or have this what amounts to an interim award that they take possession of the vessel or vessels with their own crew, and they basically get to operate them while a decision is made. The only case that

remotely addresses this, the vessel was released back to the claimant, albeit not in exact circumstances, for the claimant to operate. So to the extent the Court wants to entertain some discussion with respect to releasing the vessels with certain provisions, we are here to discuss those. A preliminary discussion in fact took place a couple of days ago. But what they're proposing is just sort of outrageous in terms of basically taking possession of the vessels in an interim manner and displacing us when we believe we are the rightful possessor at this point and all these are wrongful arrests.

That's sort of the short version of our response to what they're requesting and, you know, highlighting the points or the three court orders that were all complied with in this district. Some of the comments that they've made about geographic limits, that would not really make any sense. Once the vessel is out of the jurisdiction, she's out of the jurisdiction, whether she is in the Caribbean or in Rotterdam, I'm not sure what difference that would make. Presumably, the vessel should go to maximize profit, so if a charter party shows up that that's the best and more profitable, that would be the consideration. The change in the crew, of course, is tantamount to giving them possession, Your Honor. That is without precedent, and we would respectfully ask the Court not to start this sort of dangerous precedent.

THE COURT: Mr. Georgantas, do you have a

counterproposal to make?

MR. GEORGANTAS: We have put in our response a rough counterproposal, whereby, potentially the Court would entertain that the vessel would operate under the existing crew or, in event, our crew and whatever replacements are made; that we would agree to an escrow account that would be maintained in the District so that funds would be within the jurisdiction of the Court; we have also suggested that we will provide them with reports of the vessels' location, I think maybe once every two weeks, so they know where all the vessels are going or sailing. We have also made the proposal that this escrow -- from this escrow account, there should be an escrow agent or trustee, or whatever will end up following this person, the shipping veteran that knows about shipping. And from those revenues that the vessel or vessels will generate, of course, the first thing that would be paying is the charter hire, and then the vessels' OPEX, which is basically the acronym for operation of expenses for the vessel. And then all this, of course, would be documented to the trustee. And then whatever remains after all the OPEX expenses are paid, presumably we would stay pending resolution. By way of further commitments, we have even offered that they can keep a representative of a custodian on board the vessel. But I don't know if that would give them any extra, you know, comfort, but certainly that is something that we have offered to them with respect to all these wild allegations that we're going

to abscond with a vessel and disappear. Those are roughly the counterproposals that we made to them. And, again, there was a preliminary discussion, I think a couple days ago, which is in the very early stages. But, again, we see that as sort of a last resort solution, Your Honor. We think that proper arguments have been made with respect to the lack of maritime jurisdiction, and also with the ownership, what I think is the current ownership of the Eletson Gas preferred shares.

THE COURT: Your client has no intent to keep the vessel currently beyond the jurisdiction of this Court, right?

MR. GEORGANTAS: What is being proposed, Your Honor, is for the vessel to be allowed to trade. And in order to do so, they would necessarily leave the jurisdiction of this Court.

THE COURT: No, I know that but will you undertake that your -- the vessel will never be kept out of the jurisdiction of the Court permanently in order to defeat the orders of the Court?

MR. GEORGANTAS: No. I mean, I think, if I'm understanding what you're saying, if you issue an order and you say, come back, then, yes, we -- subject to, you know, cargo obligations, as soon as practicable, then the vessels would return.

Did I understand your question correctly?

THE COURT: Okay. That's what I needed to hear. Thank you very much, Mr. Georgantas.

Do you want to respond, Mr. Floyd?

MR. FLOYD: Yeah, I absolutely do, Your Honor. There's a number of points to hit on here. First, if I heard things correctly, I believe Mr. Georgantas said that Eletson Corp would be managing the vessel. And I know that they're going around the world telling some people, as I believe it's happening in Panama, that they're Eletson Corp, but there is absolutely zero question about who Eletson Corp is. We are. Eletson Corp is 100 percent owned by Eletson Holdings. Eletson Holdings was one of the debtors in the bankruptcy. And the bankruptcy plan is expressed, that all interests of Eletson Holdings and its subsidiary vested in reorganized Eletson Holdings. We are Eletson Corp. That argument alone, if I heard it correctly, underscores the very real concerns that we have that this ship is never coming back. If it is set sail, allowed to set sail, with the current crew under the control and taking instructions from people who we don't even know who they are, it's never coming on back.

On top of that, as far as suggesting that because they allowed that there was an agreement to allow the Ithacki to move from Victoria over to Corpus Christi to be able to get supplies, number one, that was a very short move; number two, it was at the request of the custodian, who had a representative on board as well. And one of the reasons why it needed to be done was the vessel was very, very low, as in hours remaining, of fuel.

So the vessel couldn't go really anywhere or get bunkered offshore because it didn't have anywhere to go; it didn't have enough fuel. So that's not a good argument there.

To suggest that it's just plain and ordinary for ships to undertake the types of maneuvers and twistings that the Kimolos, in Panama, and the Kinaros, who was the ship off of Texas that ran the arrest order, undertook is preposterous. Nobody with good intention turns off their AIS, let alone somehow spoofs -- I'm not a tech person, but make an AIS show the ship as being on the west coast to Panama, when she's supposed to be on the east coast, or vice versa. That's just plain unsafe, and it's done with bad faith and nothing else. That's the sort of stuff ships do when they want to engage in an illegal ship-to-ship transfer of sanction cargo. It's bad stuff. And it is indicative of the type of people who are on the other side standing behind the so-called Cypriot Nominees.

What was to critique us, the Plaintiffs here, for making an application to get this ship underway back into trading is preposterous. It's perfectly ordinary and logical this ship is under arrest. We contend that we own the ship -- excuse me, we contend that we are the proper charterers of the ship and want to get her back into service so that she can trade, make money, and the money goes into a safe spot. I thought that it was extremely interesting that Mr. Georgantas described his client as being in, quote, rightful possession of

the ship. That language "rightful possession" harks back to and undermines each and every argument that they have made in support of their vacatur motion contending that this not a proper Rule D, a Delta. It is because it's about possession. We're the ones who are entitled to possession under the time charter. We just heard Mr. Barr saying that the time charter doesn't give possession, or something like that. This is all about possession. Rule D is proper. That needed to be pointed out, the same way when Mr. Georgantas said that changing the crew equaled possession. Both of those points hark back to this thing about possession, and possession is the fundamental part of a petitory or possessory action.

The last thing is just to close that up pretty quickly here, Your Honor. We don't take their words. I don't think the word of Mr. Georgantas' client or Mr. Georgantas saying, subject to cargo obligations, and subject to being as soon as possible, and a bunch of other things, is sufficient in any way shape or form to satisfy the concerns that are out there, and very real concerns. They're all subject to this, that, and the other thing. And they are coming, not from Mr. Georgantas, of course, but any such representations by his clients, are coming from people who have been sanctioned for not following orders in the S.D.N.Y. And they've gone around the world and done all types of different things that have led to functions, including $5,000 a day sanctions against them. Their word is worthless and

should not be trusted.

Our clients, I expect, actually I'm quite certain, would be open to an independent manager being appointed to come on in and manage the ship. We believe it should have been, and should be, Eletson Corp, and down the road we'll be back in proper possession of the ship. But if not, we do not want their crew and their master, and anyone who has their ear, or whose ear they have, being in possession of that vessel. An independent, completely respectable third-party management company could be put in possession of the ship and appoint the crew, that would be acceptable. We think that Eletson Corp and our clients would be perfectly fine to do that as well. But if it needs to be an independent third party, so be it. And as far as an escrow account, I don't think that there's huge divergence there. The parties would probably talk on through the parameters, so I won't waste the Court's time with that.

THE COURT: Okay. Thank you very much.

Mr. Georgantas, do you want another turn?

MR. GEORGANTAS: Yes, Judge, a response. First of all, I don't believe I ever used the word "Eletson Corp," so I think Mr. Floyd may have misstated what I said just initially. In addition to that, the -- his argument about possession, I think, is being misconstrued. It is beyond dispute that the claimant right now is controlling the vessel and is the possessor of the -- of the vessel by way of the time charter.

So to try to twist that around as some kind of an admission that the Rule -- that somehow that validates the Rule D is beyond description. They're the ones that are asserting the Rule D proceeding, and we're the ones that are saying that they're not entitled to that. We are already, as Claimant, the time charter of the vessel. So that argument that Mr. Floyd just presented should just be discarded outright. You know, they have not met the Rule D standards for the maritime jurisdiction with respect to the underlying dispute, the underlying agreement.

The suggestion, again, of trying to paint the Claimant here in a negative light in terms of where we might go or what we might not do, again, playing with words. When I told Your Honor if we were told to come back subject to cargo, you may issue an order and you're going to say, you know, I want this ship back here, Mr. Georgantas, by such and such date. If we're discharging cargo somewhere, we would have to finish operations before we were able to return. That was a logistic comment; it was not to be taken the way Mr. Floyd tried to kind of twist it around that we would use that as an excuse.

With respect to the sort of, quote, independent manager, these are highly, highly sophisticated vessels, Your Honor, in terms of their operation. And we do not believe that there's anyone out there that is as capable of operating these vessels as the Claimant is right now. And I'm talking about this vessel, but, by extension, the other vessels as well. They

have all the proper certificates, all the management systems in place, all the proper insurances. It is evident with all the documents we have produced to the custodian. And we think what their request amounts to, again just to really emphasize that point, is another backdoor attempt to take control and possession of the vessel by way of, you know, putting in their own crew and basically asking you to give them the keys to this vessel and presumably by extension the other vessels as well. We think our proposal makes sense. It's credible. And any court order by a Federal Court will have plenty of teeth in terms of any potential violation.

THE COURT: Okay. Thank you very much.

MR. GEORGANTAS: Thank you, Your Honor.

THE COURT: I think we've ventilated that subject pretty well.

Mr. Ruzinsky, do you have something else you want to say about bankruptcy?

MR. RUZINSKY: Yes, Your Honor. Thank you. This is Bruce Ruzinsky with Jackson Walker. A few things. First of all, Your Honor had asked the question about, folks could have invested under the present circumstances, I think, with the arbitration award. And, you know, the plan was filed a year after the arbitration award or confirmed a year after the arbitration award. And so the folks who invested money pursuant to the plan knew of the findings of the arbitrator, the very

clear findings, that the preferred shares were owned by the Cypriot Nominees as of March 11th, 2022. And I don't know what was in their mind at the time, but it seems like they -- that they may have made some assumptions or may have made an economic choice and a bet, and without knowing what the outcome was going to be, but knowing what the arbitrator had already found. And, you know, time will tell whether or not that was a poor choice or a better choice. They'll find out later.

Eletson Holdings did not control Eletson Gas, but Eletson Gas controls the SME and this vessel. The plan in the disclosure statement does not mention this vessel or this SME. There was a -- there was a comment from opposing counsel earlier about retained causes of action and a fraudulent transfer claim. I don't understand and appreciate how there would be a fraudulent transfer claim for something that was never owned by the debtor. Eletson Holdings never owned, ever owned these preferred shares. And under a fraudulent transfer claim, I think you've got to have either a transfer of an interest of the debtor and property or you got to have the incurrence of an obligation by the debtor. And I don't think we've got those here, so I'm having trouble understanding how there's a belief on the other side that there's some fraudulent transfer claim that is going to bring back these shares or transfer these shares into Eletson Holdings when it never owned any of these preferred shares to begin with.

And lastly I want to, you know, comment on the -- I think it was a statement made by opposing counsel that an unconfirmed arbitration award is just a piece of paper. And that's not correct. And as I had mentioned, I think in at least one case earlier, and -- along the Second Circuit, an arbitration award has legal force only because the parties have elsewhere promised to be bound by it. That is in *New York State Nurses Association Pension Plan v. White Oaks Global Advisors, LLC.*, 102 F.4th 572, at pages 595-96; it's a (2024), Second Circuit case. Also an unconfirmed arbitration award is a contract right. That is *Stafford v. International Business Machines*, 78 F.4th 62, at page 68 (2023), Second Circuit. Section 12.14 of the LLC Agreement, which is Docket No. 55-1, at page 74, provides for binding arbitration to resolve all disputes. The parties agree that the arbitration as provided in this Section 12.2 shall be the exclusive and binding method for resolving any such dispute and will be used instead -- used instead of any court action, which is hereby expressly waived, except for any action to compel arbitration or obtain judgment on an arbitration award pursuant to Section 12.14. And the S.D.N.Y. acknowledged this when confirming the award in part in Exhibit 55-4, pages 51 through 53, citing to an older Second circuit case in *FloraSynth*, F-L-O-R-A-S-Y-N-T-H, *Inc. v. Pickholz*, P-I-C-K-H-O-L-Z, 750 F.2d 171, at page 176, (1984), Second Circuit case, for the proposition that an unconfirmed

award is a contract right, and found that the parties to the LLC Agreement were entitled enforce the arbitration provision and any award obtained through it. So to say that an unconfirmed arbitration award is just a piece of paper is not consistent with the controlling law on this issue. Thank you, Judge.

THE COURT: Thank you.

Anything more, Mr. Floyd?

MR. FLOYD: Yes, please, Your Honor. And I will try to keep it brief. On the issue of an arbitration award as a contract right, none of that contradicts the basic proposition, and it is consistent with everything since Federal Arbitration Act came into existence, that the way that right, whatever one wants to call it, an award or a contract right, the way it gets enforced is by confirmation, and that's the distinction there. Here, and I think it's helpful to quote, there was -- it's paragraph four of the stay relief order, which is in our papers. But stay relief order from the bankruptcy proceeding, April something from 2023, states, quote, any arbitration award, whether in favor of any arbitration party, shall be stayed pending further order of the bankruptcy court on a motion noticed following the issuance of the arbitration award. So avoidance of doubt, no arbitration party shall transfer, dispose of, transact in, hypothecate, encumber, impair, or otherwise use any such arbitration award or any asset or property related thereto, absent a further order of this Court, end quote. There

is no further order of the bankruptcy court authorizing the Cypriot Nominees or the old Eletson people to use the arbitration award, which is precisely what they're trying to do here. That award is stayed for all purposes until it goes back to the bankruptcy court.

That also explains what was going on with confirmation of the plan. The creditors with whom Levona is affiliated, the creditors knew that whatever happened in the bankruptcy -- in the arbitration proceeding, there was the ultimate backstop of a stay, somebody had to go back to the bankruptcy court to get a new order regarding anything use of the arbitral award. On top of that, Mr. Ruzinsky says he doesn't understand how there might be a fraudulent transfer involved here. You know, that's down the road, and in a different court, and everything like that, but it does harking back to the arbitration award and needing to go -- excuse me, to the stay order and more importantly to the provisions of the plan in dealing with the reserve causes of action, the reserved action. There most definitely would be a claim for fraudulent transfer or fraudulent conveyance or preference action.

Eletson Holdings' initial position in the arbitration running up until March or April of 2023, when the stay relief order was issued, was that Eletson Holdings had exercised the option to purchase the preferred shares. Those preferred shares would therefore be a part of the estate. That representation is

consistent with an affidavit that Mr. Kertsikoff, which is one of the many people associated with the old Eletson team, put in in the arbitration and said, quote, in paragraph nine from a Kertsikoff arbitration, quote, prior to March 11th, 2022, Eletson Holdings was a common unit holder. As of March 11th, 2022, Eletson Holdings became the sole unit holder of the company by reason of the transaction that respondent Levona Holding Ltd appears to be challenging. So Mr. Kertsikoff, and I think he signed some of the verifications in this proceeding, or the others, was contending that Eletson Holdings held the preferred shares. If those preferred shares or the rights to take them was transferred to the so-called Cypriot Nominees, either for undervalue or for no actual value, despite an oral agreement supposedly to pay 3 million euro, which is a fraction of what the value was, that does sound an awful lot like a fraudulent conveyance or a fraudulent transfer, in fact I think it sounds --

THE COURT: Okay. Okay. I've heard enough. Thank you.

Gentlemen, I'll work on this dutifully, and I'll reach a decision eventually, as quickly as I can. It would make a lot more sense in the interim for you to try and agree on what we're going to do with this ship, than my trying to craft a short-term solution. It makes more sense to the issues of the vessel and much more sense to the issues of personnel than I would ever be.

I really urge you to try to get together on that. I do agree that it's crazy to have the ship, pay them, and then port because lawyers can't agree, but I can't force you into an agreement. I will -- I will work on this. And I may in fact send out written questions asking for further clarification or even convene another hearing. But thank you for your advocacy today. I've learned from everybody who's spoken, and I appreciate it. Thank you very much.

MR. BARR: Thank you, Your Honor.

MR. GEORGANTAS: Thank you, Your Honor.

MR. FLOYD: Thank you.

MR. RUZINSKY: Thank you.

(Whereupon, the Court adjourned at 4:51 p.m.)

*** * * ***

I certify that the foregoing is a correct transcript from the record of proceedings in the above matter.

Date: April 21, 2025

/S/ Monica Walker-Bailey, MS, RPR, CSR
Signature of Court Reporter

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Exhibit 47

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.	Civ. No. 23-cv-07331 (LJL)

LEVONA'S MEMORANDUM OF LAW IN OPPOSITION TO APARGO LTD., DESIMUSCO TRADING LTD., AND FENTALON LTD.'S MOTION TO INTERVENE

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INTRODUCTION

Apargo Limited, Desimusco Trading Limited, and Fentalon Limited (together, the "Purported Nominees") seek to intervene after years of strategic delay. The Court should not permit them to do so.

The motion should be denied, first, because the Purported Nominees lack statutory standing to intervene. The Federal Arbitration Act (the "FAA") permits only a "party" to an arbitration award to seek confirmation or vacatur. Because the Purported Nominees were not parties to the underlying arbitration they may not intervene here. The Federal Rules of Civil Procedure cannot grant the Purported Nominees a right that the Federal Arbitration Act does not. Moreover, because the Purported Nominees lack statutory standing, they also cannot claim a legally protectable interest in this proceeding sufficient to support either intervention as of right or permissive intervention.

Even if the Purported Nominees have standing and a sufficient interest, their motion should be denied for the independent reason that it is untimely. In October 2024, Eletson's former counsel represented to the Court that the Purported Nominees intended to intervene. *See* ECF 204, at 2. "The only apparent reason" for their failure to do so until now was "a gambit that, if they do not [intervene], [this] Court may … 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 the question." ECF 295, at 21. The Purported Nominees finally filed their motion only after that tactic failed, and on the very last day permitted by the Court. All the while, the Purported Nominees and related parties have marched across the globe in an effort to find a court that will confirm the Award so that they can begin enforcing it.

The untimeliness of the Purported Nominees' motion is underscored by their conduct after filing it. *First*, the Purported Nominees over the last two weeks have repeatedly refused to

withdraw or even stay the foreign cases despite the ongoing vacatur proceedings here, and in direct violation of orders of the bankruptcy court, which has held them in contempt and imposed coercive monetary sanctions. *Second*, the Purported Nominees made clear in their recent letter to the Court that they intend to seek discovery delays if they are permitted to intervene. *See* ECF 313. *Third*, the Purported Nominees have already engaged in obstruction and delay by failing to timely respond to Levona's subpoenas; when they finally served a response on April 18, they refused to agree to produce any documents at all, rejecting seven of the eleven requests outright and vaguely offering to meet and confer on the remaining four. *Fourth***,** within 48 hours after the intervention motion was filed, the Greek individuals who own two of the Purported Nominees supposedly sold them to strangers to the arbitration (*see* ECF 306, 307); because the Purported Nominees are special purpose vehicles that apparently have never had officers or employees other than their owners, it is reasonable to ask whether the sales were part of an effort to shield the owners from discovery—but the Purported Nominees' counsel has refused to answer that basic question.

The Court should not reward the Purported Nominees' gamesmanship. Their motion should be denied. In the alternative, if the motion is not denied, the Court should at minimum impose conditions to ensure that intervention does not prejudice Levona.

BACKGROUND

A. The Purported Nominees' Failure To Appear As Parties In The Arbitration

The Purported Nominees were at all relevant times controlled by the three Greek families that previously controlled Eletson Holdings and Eletson Corporation (collectively "Eletson"). ECF 67-38 ¶ 103. The Purported Nominees contend that they became owners of the preferred shares of Eletson Gas on March 11, 2022, when Eletson Gas purportedly exercised an option to buy those shares from Levona and purportedly nominated them to acquire the preferred shares.

ECF 67-58 (arbitration award) at 27.[1] The Purported Nominees, however, did not join the arbitration as claimants upon Eletson's filing of the arbitration demand in July 2022. In fact, the Purported Nominees' existence was not revealed to Levona until April 2023, shortly after involuntary bankruptcy proceedings had been commenced against Eletson Holdings and roughly nine months after Eletson had filed its arbitration demand. ECF 104, at 20–21; ECF 67-36 ¶ 47. That assertion contradicted multiple representations that Eletson Holdings had made in the preceding months, in which it had characterized itself as the sole shareholder of Gas. *See* ECF 67-20 ¶ 9; ECF 67-21, at 10; ECF 67-22, at 6, ECF 67-23, at 11.

The Purported Nominees also did not seek to join the arbitration proceedings after their existence had been revealed. Instead, the owners of the Purported Nominees participated as witnesses, during which they each "stipulated to be bound by th[e] award and any Judgment entered [t]hereon." ECF 67-58, at 96 (arbitration award); *see* ECF 31-32 ¶ 13 (Eletson's post-hearing arbitration brief: "the nominees agree to be bound by any award or judgment entered by this Tribunal in this case or by any court reviewing the award"); ECF 77 (1/2/2024 Hr. Tr.) at 102:21–23 (Mr. Solomon, during the January 2, 2024 hearing in this action: "Justice Belen found that [the Purported Nominees] stipulated to be bound, not only by this award but by any judgment entered hereon.").

B. The Purported Nominees' Failure To Intervene In This Action While Pursuing Confirmation Abroad

From the outset of these proceedings, Eletson's interests have diverged from the interests of the Purported Nominees. For one thing, long before Eletson first sought confirmation, Holdings' bankruptcy case had been pending for months and threatened a real possibility that

[1] There is no documentation of that supposed nomination by Eletson Gas.

Eletson's managers and shareholders (and the Purported Nominees' then-owners) would lose control of the Eletson, as they ultimately did. Moreover, while Eletson had obtained a limited award of about $12 million in costs and fees, the Purported Nominees obtained a much more substantial award totaling more than $40 million that rested on distinct liability findings. *See* ECF 67-58, at 99–101.

Despite those diverging interests, the Purported Nominees did not join these proceedings or seek to intervene when Eletson first sought confirmation; or after Levona moved to vacate the award a month later; or after the Official Committee of Unsecured Creditors in Eletson Holdings' bankruptcy filed a letter in this action stating its position that the award should be confirmed except to extent it is in favor of the Purported Nominees (ECF 69, at 2–3); ; or even after the Petitioning Creditors filed their first proposed chapter 11 plan in May 2024 (*In re Eletson Holdings Inc.*, No. 23-10322 ("Bk.") ECF 531). Instead, the Purported Nominees waited until October 30, 2024—days after the bankruptcy court had confirmed the petitioning creditors' chapter 11 plan and after Levona had sought a brief stay of discovery to consider the impact of the confirmation order on these proceedings—to "authorize" Reed Smith to say that "Gas and the [Purported] Nominees intend to seek intervention." ECF 204, at 2. On October 31, 2024, this Court stayed all proceedings pending a status conference to be held on November 12, 2024. ECF 205. At that status conference (a week before the confirmed plan became effective), Reed Smith as counsel to Eletson requested that the Court lift the stay to permit "whoever else feels they have an interest in this case to apply [for intervention] …, to see whether there are other parties that your Honor will feel should properly be parties to this matter." ECF 208 (11/12/24 Hg. Tr.) at 15:6-9. On November 14, the Court lifted the stay in part "to permit (but not require) motions by interested parties, including

Eletson Gas and the Preferred Nominees, to intervene in this action." ECF 207. Neither moved to intervene.

After the Court again stayed all proceedings, on November 25, Reed Smith (who, by that time, had been terminated as counsel to Eletson) sought clarification as to whether intervention motions were still permitted. *See* ECF 218, 220, 221 (clarifying that stay includes motions for intervention). Then, on December 23, the Court lifted that stay except as to discovery, once again permitting the Purported Nominees to seek to intervene. ECF 238 (12/23/2024 Hg. Tr.) at 31:24-32:1; ECF 234. But the Purported Nominees again did not do so.

Over the next several months, the Purported Nominees did not participate in these proceedings at all. Instead, Reed Smith, ostensibly on behalf of "Provisional Holdings," claimed the right to speak for Eletson in both this Court and the bankruptcy court on the purported basis that the confirmed plan was functionally a nullity absent recognition in Greece and Liberia. ECF 237, at 2; ECF 252, at 1, 3, 7. "Provisional Holdings," meanwhile, appeared in those foreign jurisdictions to *oppose* recognition. *See* Bk. ECF 1459, 1496. As it became clear that the Court would not recognize Provisional Holdings' authority, Provisional Holdings began to assert that this action must be dismissed for lack of Article III jurisdiction. *See* ECF 252.

While this was unfolding, the Purported Nominees, on their own behalf or through Eletson Gas (over which they are purporting to exercise authority in violation of the bankruptcy court's stay relief order, Bk. ECF 48), have attempted to pursue confirmation and enforcement of the arbitration award in at least Greece and England, in the latter jurisdiction represented by Reed Smith. ECF 232, 248. In the Greek proceeding, which all three Purported Nominees filed as Plaintiffs, they seek to confirm the entire award, including those parts that this Court has vacated, without so much as acknowledging the existence of this action. *See* ECF 276-1. After a series of

motions, on March 13, 2025, the bankruptcy court held Eletson's former controllers and others, Apargo's principal and Desimusco and Fentalon's then-principals, in contempt and required them to affirmatively withdraw the foreign confirmation proceeding, imposing per diem monetary sanctions of $5,000, jointly and severally, until they did so. Bk. ECF 1537.

C. The Purported Nominees' Belated Motion To Intervene In This Action

The Purported Nominees did not resurface in this proceeding until after the Court had formally displaced "Provisional Holdings," rejected "Provisional Holdings'" jurisdictional argument, and ordered the parties to confer regarding whether the stay of discovery should be lifted. In a March 11 letter, Apargo, represented by a former partner of Provisional Holdings' lead attorney, encouraged the Court to continue the stay of discovery until the Second Circuit had reviewed this Court's order explaining that it was "hesitant to undertake the cost and burden of U.S. litigation … [and] sees no reason for it to assume the burden of creating through participation a justiciable U.S. controversy." ECF 285, at 2. The Court refused to consider that letter because "a person who is not a party to the proceeding has no right to be heard" and noted that Apargo may "move, on motion, to intervene or file an amicus brief." ECF 288.

Apargo chose to seek leave to file an amicus brief. ECF 289. In its proposed amicus brief, Apargo reiterated that it had not moved to intervene because "[i]f Article III jurisdiction does not exist, Apargo sees no reason to create a justiciable 'case or controversy' by inserting itself into the proceedings." ECF 289-2, at 8. Apargo argued in the alternative that, if this Court were inclined to permit discovery while the Second Circuit appeal remained pending, it should be permitted two weeks to intervene, and that all discovery should remain stayed until its motion to intervene was decided. *Id.* On March 25, the Court lifted the discovery stay, denied Apargo's motion for leave to file an amicus brief, and granted Apargo's request for a two-week period in which to move to

intervene, directing that any such motion be filed by April 7. ECF 297. At that point, only Apargo had appeared—the other two Purported Nominees remained entirely uninvolved.

Counsel for the Purported Nominees sought Levona and Eletson's consent to only Apargo's intervention. In evaluating that request, Levona's counsel sought responses to basic questions such as why the other two Purported Nominees were not seeking to intervene, what documents Apargo had in its possession, and which witnesses Apargo would make available for deposition. *See* ECF 303-2, at 6–7. On April 2, five days before intervention motions were due, Apargo's counsel refused to provide any meaningful response to several of Levona's questions (other than to note that Apargo was "an unlikely source of much, if any, additional documentation relevant to the issues for discovery"), and stated that he was "not now in a position to comment on non-Apargo nominees." *Id.* at 6. This underscored Levona's concern about why it was only Apargo, and not the other Purported Nominees that was seeking to intervene, including whether it was an effort to shield them from discovery.

Accordingly, on April 4, Levona's counsel, on behalf of both Levona and Eletson, provided a proposed stipulation to permit intervention by any of the Purported Nominees on or before April 11, provided that all three Purported Nominees: 1) reaffirmed their stipulation to be bound by the judgment of this Court, 2) agreed to participate fully in discovery, 3) withdrew all pending foreign confirmation or enforcement proceedings relating to the award pending a final resolution of this action, and 4) did not consult Reed Smith in connection with these proceedings (a request made by Eletson, which was concerned about Reed Smith using Eletson's own documents and information against it). *See id.* at 9–10. These conditions were intended to ensure the fairness of these proceedings by preventing non-participating Purported Nominees from later arguing that they were not bound by any adverse judgment; permitting the parties to develop a complete record;

allowing for orderly adjudication; and ensuring that the Purported Nominees did not obtain information in violation of the attorney-client privilege and Reed Smith's ethical duties. Those reasonable conditions were rejected. *Id.* at 2.

Three days later, Apargo and the other Purported Nominees (Desimusco Trading Limited and Fentalon Limited) jointly moved to intervene. No explanation was given about why Desimusco and Fentalon had finally agreed to participate. Concurrent with the filing of their motion, Desimusco and Fentalon filed Rule 7.1 statements disclosing no corporate parent. *See* ECF 304, 305. A mere two days later, however, Desimusco and Fentalon without explanation filed updated disclosure statements identifying "Blige Corporation" and "Ascella Limited" as their respective corporate parents. *See* ECF 306, 307. Concerned that Desimusco and Fentalon's prior owners had restructured their ownership in an effort to resist discovery, Levona asked their counsel for information regarding those transactions and assurances that Desimusco and Fentalon would participate in discovery and make their former owners available for deposition. *See* Exhibit 1 to Declaration of Isaac Nesser ("Ex."). Counsel refused to answer those questions. *See* Ex. 2. Although the Purported Nominees have declined to indicate whether and to what extent they intend to provide discovery if permitted to intervene, they have made clear their intent to delay discovery if their motion is granted. On April 15, the Purported Nominees filed a letter noting their "strong objections" to the existing discovery schedule (a schedule that continued the existing schedule to which all parties had agreed prior to the stay of discovery) and indicating that they intend to seek to prolong discovery. ECF 313.

Nor have the Purported Nominees participated meaningfully in third-party discovery to date. On October 8, 2024, Levona served subpoenas on each of the Purported Nominees through regular postal channels as permitted under the Hague Convention. Despite the return date of

October 22, 2024, the Purported Nominees never responded to the subpoenas. Following their emergence as represented parties in this proceeding, and once the discovery stay was lifted, counsel for Levona asked the Purported Nominees' counsel if and when the Purported Nominees intended to respond to the subpoenas. After weeks of obfuscation, the Purported Nominees served initial responses and objections on April 18, 2025 (long after their deadline to respond had expired), in which they refused to produce any documents in response to any of the eleven requests and offered to meet and confer with respect to only four of them. *See* Ex. 3.

ARGUMENT

Federal Rule of Civil Procedure 24 governs intervention. Under it, all would-be intervenors must satisfy the "threshold" requirement that they have "standing to intervene." *Eddystone Rail Co., LLC v. Jamex Transfer Servs., LLC*, 289 F. Supp. 3d 582, 588 (S.D.N.Y. 2018). Rule 24(a) provides for intervention as of right. To intervene as of right, a would-be intervenor must: "(1) file a timely motion; (2) show an interest in the litigation; (3) show that its interest may be impaired by the disposition of the action; and (4) show that its interest is not adequately protected by the parties to the action." *D'Amato v. Deutsche Bank*, 236 F.3d 78, 84 (2d Cir. 2001) (quotation omitted). "Failure to meet any one of these requirements suffices for a denial of the motion" to intervene. *In re Holocaust Victim Assets Litig.*, 225 F.3d 191, 197–98 (2d Cir. 2000) (citation omitted)).

Rule 24(b) provides for permissive intervention. It "provides that, on timely motion, intervention may be permitted to anyone who 'has a claim or defense that shares with the main action a common question of law or fact.'" *Eddystone*, 289 F. Supp. 3d at 595. After those requirements are established, a court may "in its discretion, consider a host of factors in determining whether to permit intervention." *Id.* The "principal consideration ... is whether the intervention will unduly delay or prejudice the adjudication of the rights of the original parties."

U.S. Postal Serv. v. Brennan, 579 F.2d 188, 191 (2d Cir. 1978) (quotations omitted). "Permissive intervention is wholly discretionary with the trial court." *Id.*

The Purported Nominees have not met and cannot meet the foregoing requirements.

I. THE PURPORTED NOMINEES LACK STANDING TO INTERVENE

In their motion to intervene, the Purported Nominees ask to do two things: "join … Petitioner's previously requested order to confirm" and "oppose any effort to vacate" the Award. ECF 302, at 5.[2] The Purported Nominees, however, cannot get past the "threshold" problem that they lack "standing to intervene" to either seek confirmation or oppose vacatur. *Eddystone*, 289 F. Supp. 3d at 588.

A. The Purported Nominees Lack Standing To Intervene To Seek Confirmation

The Purported Nominees lack standing to intervene to seek confirmation because the FAA and New York Convention permit only a *party to the arbitration* to seek confirmation, and the Rules Enabling Act prohibits reading Rule 24 to permit intervention more broadly than the FAA allows. When it comes to confirmation proceedings, "[a]ny analysis regarding … standing to intervene … begins with the text of the [FAA]." *Eddystone*, 289 F. Supp. 3d at 588. The FAA provides that only a "party to [an] arbitration" has the right to apply to a court for confirmation of an arbitral award. 9 U.S.C. §§ 9, 207; *see* United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, art. III ("Each Contracting State shall recognize arbitral awards as binding and enforce them in accordance with the rules of procedure of the territory where the award is relied upon.").

[2] The Purported Nominees filed a proposed pleading solely as to confirmation , ECF 303-1, but did not file a proposed answer to Levona's vacatur petition, as Eletson had done, *see e.g.*, ECF 170.

In turn, the Rules Enabling Act provides that the Federal Rules of Civil Procedure "shall not abridge, enlarge or modify any substantive right." 28 U.S.C. § 2072(b). "Heeding this command," the Second Circuit has "repeatedly held" that the Federal Rules "may not ... be employed to expand substantive rights." *Bugliotti v. Republic of Argentina*, 67 F.4th 102, 107 (2d Cir. 2023) (quotations omitted); *see id.* ("[T]he procedural mechanisms set forth in Rule 17(a) for ameliorating real[-]party[-]in[-]interest problems may not ... be employed to expand substantive rights." (quotation omitted)). For example, in *Fed. Treasury Enter. Sojuzplodoimport v. SPI Spirits, Ltd.*, the Second Circuit refused to "extend standing to [a party without it] through 'ratification' under Rule 17(a)" because "[s]uch a decision would amount to an improper expansion of the substantive rights provided by the" relevant substantive law. 726 F.3d 62, 83–84 (2d Cir. 2013).

Accordingly, the Federal Rules, including Rule 24, cannot permit anyone but a "party to [an] arbitration" to pursue confirmation of an award under the FAA. "To hold otherwise 'would amount to an improper expansion of the substantive rights provided by the [FAA].'" *Bugliotti*, 67 F.4th at 107. Courts enforce such limitations on the Federal Rules by requiring would-be intervenors to establish both Article III and statutory standing before permitting intervention. *See, e.g.*, *Mayor & City Council of Baltimore v. Bureau of Alcohol, Tobacco, Firearms & Explosives*, 738 F. Supp. 3d 1, 5 (D.D.C. 2024) (noting that in a prior order, "[t]he Court denied NSSF's motion to intervene as of right or permissively, concluding that the Foundation had failed to carry its burden of showing that it has Article III or statutory standing"); *cf. Eddystone*, 289 F. Supp. 3d at 588 ("Under the plain terms of the FAA, the Proposed Intervenors are foreclosed from challenging the Arbitration Award" because they are not a "'party to the arbitration'") (quoting 9 U.S.C. § 10(a)).

The Purported Nominees therefore cannot intervene under Rule 24 to pursue confirmation. They were not parties to the arbitration below. ECF 104, at 71–72. They thus indisputably could not have brought their own petition to confirm the award under the FAA. And consistent with the Rules Enabling Act, Rule 24 cannot give them a right that the FAA denies them.

None of the cases the Purported Nominees cite is to the contrary. To start, none permits a non-party to an arbitration to seek to confirm an award. For instance, the intervenor in *Manor House Capital, LLC v. Pritsker*, 2015 WL 273684, *2 (S.D.N.Y. Jan. 15, 2015) (cited Mem. 10), was a party to the arbitration and thus had the ability under the FAA to intervene to seek confirmation. Instead, the Purported Nominees' cited cases perhaps recognize that in very limited circumstances when an "arbitrator goes outside its jurisdiction and issues a ruling purporting to bind that party," then nonparties to an arbitration may potentially seek to intervene to *vacate* an arbitration award despite the general rule that they cannot do so because the FAA says "that a party objecting to an arbitration award should be a party to the arbitration." *Bruscianelli v. Triemstra,* 2000 WL 1100439, *4 (N.D. Ill. Aug. 4, 2000) (citing *Ass'n of Contracting Plumbers v. Local Union No. 2*, 841 F.2d 461, 466-67 (2nd Cir. 1988)) (cited Mem. 10); *accord 1199 SEIU United Healthcare Workers E. v. Alaris Health at Hamilton Park*, 2018 WL 9651077, *3 (S.D.N.Y. Sept. 4, 2018) (similarly permitting party to intervene to vacate award) (cited Mem. 15–16).

That potential exception does not help the Purported Nominees. As Judge Pauley recently explained at length, "courts have closely adhered to that limited exception" and cabined it to the precise circumstances in *Contracting Plumbers*, 841 F.2d at 466-67—*i.e.*, significantly-affected non-parties seeking to vacate arbitral awards—the only case in which the Second Circuit identified and applied the exception. *Eddystone*, 289 F. Supp. 3d at 589. The Purported Nominees' request does not fit within those circumstances. Rather, they are seeking to do the opposite of what the

limited exception may permit—they seek to *confirm* an arbitration award to which they are not a party and that gives them a windfall, not vacate an award that purportedly binds them. The FAA does not afford them that ability, so neither can Rule 24, and there is no authority holding otherwise.

There is also reason to question the potential exception's continued validity. *Contracting Plumbers* did not address the limitations that the Rules Enabling Act imposes on nonparties trying to use Rule 24 to intervene to seek vacatur of an Award even though they lack statutory standing to do so under the FAA. And many cases since *Contracting Plumbers*, such as *Bugliotti* and *Federal Treasury Enterprise* cited above, have implicitly contradicted its conclusion by following the limitations of the Rules Enabling Act.

Finally, in any event, the Purported Nominees' request to join Eletson's confirmation petition is moot because the parties have stipulated to dismiss that petition. *See* ECF 302, at 5 (seeking to "join" confirmation petition); ECF 302, at 6 (seeking to "be heard with respect to" confirmation petition); ECF 317 (dismissing confirmation petition without prejudice).

B. The Purported Nominees Lack Standing To Intervene To Oppose Vacatur

For two reasons, the Purported Nominees also lack standing to intervene to oppose Levona's petition to vacate the award.

First, the Purported Nominees lack standing to oppose vacatur for much the same reason they cannot intervene to seek confirmation. The FAA contemplates that only a "party to [an] arbitration" will be involved in either confirmation or vacatur proceedings. 9 U.S.C. §§ 9, 10, 207. Indeed, Section 12 of the FAA makes clear that the party opposing vacatur must have been a party to the arbitration. It states that "[n]otice of a motion to vacate … must be served upon the *adverse* party" and, upon such service, a court may "stay[] the proceedings of the adverse party to enforce the award" during the pendency of a vacatur motion. 9 U.S.C. § 12 (emphasis added). As

explained above, enforcing an award is something that only a party to the arbitration can do. See supra, Part I.A. Likewise, Section 12 specifies service requirements based on whether the adverse party is a "resident of the district within which the award was made." 9 U.S.C. § 12 (emphasis added). By making the service requirements turn on the adverse party's connection to where "the award was made," Section 12 presupposes that the adverse party was a party to the arbitration that led to the award.

Once more, the Purported Nominees were not parties to the arbitration. Thus, under the Rules Enabling Act, Rule 24 cannot improperly expand their "substantive rights provided by the [FAA]" and permit them to intervene to oppose vacatur. *Bugliotti*, 67 F.4th at 107. And as explained above, the Purported Nominees point to no case in which a nonparty was allowed to intervene to oppose vacatur of an arbitration award—because such intervention is not allowed.

Second, the Purported Nominees should not be permitted to intervene to oppose vacatur for the same reason that nonparties in an appeal from a district court decision do "not have standing to protest the vacatur of a decision to which [they were] not a party." *U.S. Philips Corp. v. Sears Roebuck & Co.*, 55 F.3d 592, 594 (Fed. Cir. 1995); *see U.S. Philips Corp. v. Windmere Corp.*, 971 F.2d 728, 730 (Fed. Cir. 1992) (rejecting litigant's argument "that even if it were not a party to the proceedings that are the subject of this appeal and settlement, its substantial involvement in the proceedings and its substantial interest in the subject matter provide standing to oppose vacatur."); *see Kahn v. Chase Manhattan Bank*, 131 F.3d 131 (2d Cir. 1997) (unpublished table decision) (noting that in *Sears Roebuck* a "non-party lacked standing to oppose a joint motion to dismiss the appeal" and the nonparty's "'asserted interest' [wa]s belied by fact that he 'refrained from intervention at the trial'" (quoting *Sears Roebuck*, 55 F.3d at 594)). Rather, the participants in appellate-like proceedings are generally fixed at the first-level decision (whether in court or

arbitration) to provide certainty and predictability while preserving party and judicial resources. New parties cannot appear out of the blue to defend a decision they did not procure. The Purported Nominees, who were not parties to the arbitration, cannot seek to join now after the first-level decision has been reached.

II. THE PURPORTED NOMINEES DO NOT HAVE A LEGALLY PROTECTABLE INTEREST IN CONFIRMING OR VACATING THE AWARD

The Purported Nominees' motion should be denied for the additional reason that they have not claimed a legally protectable interest in this proceeding, as is required to intervene as of right under Rule 24(a) and as would support permissive intervention under Rule 24(b).

First, the Purported Nominees' motion to intervene as of right should be denied because they have not claimed a cognizable "interest relating to the property … that is the subject of [this] action." Fed. R. Civ. P. 24(a)(2). To support intervention as of right, a proposed intervenor's interest must be "direct, substantial, and legally protectable," Mem. 12, *i.e.*, the intervenor "must be authorized to enforce that interest, and the interest must be capable of being enforced through the law," *Floyd v. City of New York*, 302 F.R.D. 69, 116 (S.D.N.Y. 2014) (citation omitted); *see New Orleans Pub. Serv., Inc. v. United Gas Pipe Line Co.*, 732 F.2d 452, 464–65 (5th Cir. 1984) (holding Rule 24(a) requires "that the interest be one which the *substantive* law recognizes as belonging to or being owned by the applicant," and denying intervention where proposed intervenor did not fall within "zone of interests" statute at issue sought to protect). Accordingly, intervention must be denied when, for example, a proposed intervenor's claim is time-barred, even if disposition of the main action would affect the proposed intervenor's interests more broadly. *See Ceribelli v. Elghanayan*, 1994 WL 529853, at *1–2 (S.D.N.Y. Sept. 28, 1994).

Here, the Purported Nominees have claimed a right "to be heard *with respect to the Petition to Confirm the Arbitral Award* and the Cross-Petition to Vacate the Arbitral Award." Mem. 2

(emphasis added); *see id.* at 1 (moving "to intervene and join in seeking Petitioner's previously requested order to confirm the underlying arbitral award"). But they lack statutory standing to participate in this action either in support of confirmation or in opposition to vacatur. *See supra* Part I. Their lack of statutory standing directly demonstrates that they do not possess a "legally protectable" interest as required by Rule 24(a)(2), because "the law does not afford [them] an avenue to vindicate th[eir] interest." *Floyd*, 302 F.R.D. at 116–17.

Second, the Purported Nominees' motion for permissive intervention should be denied for similar reasons. Because the Purported Nominees lack standing to seek confirmation or oppose vacatur of the Award, they have no "claim or defense" that could relate to Eletson's claims or defenses. *Eddystone*, 289 F. Supp. 3d at 595. Thus, the "the nature and extent of the[ir] interests"—*i.e.*, *no cognizable interest at all*—do not favor permissive intervention. *Brennan*, 579 F.2d at 191. The Purported Nominees' motion to intervene should be denied on that basis too.

III. THE PURPORTED NOMINEES' MOTION IS UNTIMELY

Even if the Purported Nominees had standing to intervene and a cognizable interest to support intervention, their motion should be denied as untimely.

Both permissive intervention and intervention as of right must be sought by "timely motion." Fed. R. Civ. P. 24(a); *see, e.g.*, *NAACP v. New York*, 413 U.S. 345, 365 (1973) ("Whether intervention be claimed as of right or as permissive …. [t]he court where the action is pending must first be satisfied as to timeliness."). "Timeliness is not defined by [Rule 24] and is therefore left largely to the court's discretion, which must be guided by consideration of all of the circumstances surrounding the requested intervention." *Eddystone*, 289 F. Supp. 3d at 591 (citation omitted). In making this assessment, courts consider: "(a) the length of time the applicant knew or should have known of [its] interest before making the motion; (b) prejudice to existing parties resulting from the applicant's delay; (c) prejudice to [the] applicant if the motion is denied;

and (d) the presence of unusual circumstances militating for or against a finding of timeliness." *MasterCard Int'l Inc. v. Visa Int'l Servs Ass'n Inc.*, 471 F.3d 377, 390 (2d Cir. 2006). Here, the Purported Nominees slept on their rights for months, if not years, and their intervention in this case would be prejudicial given the abbreviated schedule on which the Purported Nominees have forced the parties to operate by pressing forward with their foreign confirmation proceedings even while they seek delay here.

A. The Purported Nominees Strategically Delayed In Order To Manipulate These Proceedings

The Purported Nominees' eleventh-hour intervention motion—which comes years after they knew of their supposed interest in the underlying award and many months after their supposed proxies lost control of the Eletson petitioners—is untimely. *See, e.g.*, *NAACP*, 413 U.S. at 367 (affirming denial of motion to intervene as untimely where "the suit was over three months old and had reached a critical stage"); *United States v. Pitney Bowes, Inc.*, 25 F.3d 66, 71 (2d Cir. 1994) (affirming denial of intervention where proposed intervenor "had constructive knowledge of its interest in the underlying action for at least 15 months, and actual knowledge for eight months before filing its motion to intervene"). Their delay, moreover, was intentional. They have brought this motion only after the Court rejected their supposed proxies' efforts to stall this action, and while they press forward with confirmation elsewhere. The present motion to intervene is just a continuation of that scheme. The motion should be denied for this reason too.

To begin with, if the Purported Nominees had actually been designated to receive the preferred shares (as they contend), they would have known of their interest in the arbitration award when the arbitration was initiated in 2022. *See, e.g.*, *MasterCard*, 471 F.3d at 390 (analyzing timeliness with respect to when party was first aware of interest in litigation, without considering whether that interest was adequately represented). Rather than participate in the arbitration,

however, they sat on the sidelines and stipulated to be bound by its outcome and by the outcome of these proceedings. *See* ECF 67-58, at 96 (arbitrator finding that the Purported Nominees "have stipulated to be bound by this award and any judgment entered hereon"); *supra*, at 3.

Nor did the Purported Nominees participate in these proceedings from the outset. In an effort to get around that delay, the Purported Nominees argue (Mem. 12) that "[b]efore the Court found that the decision-making authority and legal representation for Petitioners had been displaced, the Preferred Shareholders understood that their interests in the confirmation of the Final Award were being protected." But "Rule 24 does not require … that an applicant wait until there is 'no doubt' that his or her interests will be impacted. Instead, Rule 24 encourages applicants to move when it becomes apparent that their interest *might* not be protected." *Floyd*, 302 F.R.D. at 87 (collecting cases). The fact that the Purported Nominees' interests might not be protected would have been apparent to them from the outset of this case: the Purported Nominees and Eletson had received very different relief in the arbitration and, even if the Purported Nominees expected Eletson to represent their interests, they were aware of the very real possibility that control of Eletson, and therefore its incentives and interests in this proceeding, might change as a result of the ongoing bankruptcy case.

Moreover, even if it were correct that the Purported Nominees' basis for intervention did not ripen until Eletson's former directors and shareholders lost control of Eletson, the Purported Nominees failed to intervene for at least an additional five months. *See MasterCard Int'l v. Federation Internationale de Football Ass'n*, 2006 WL 3065598, *1–2 (S.D.N.Y. Sept. 26, 2006) (denying intervention where party had been aware of interest for five months and claimed to have been aware that interest was not adequately represented for one month before moving to intervene); *see also CWCapital Cobalt Vr Ltd. v. U.S. Bank Nat'l Ass'n*, 790 F. App'x 260, 262 (2d Cir. 2019)

(affirming denial of motion to intervene filed in March 2018 where party had received notice of litigation in "the summer of 2017"). That delay was calculated and has been timed to inflict the greatest prejudice on Levona possible under the circumstances.

The Purported Nominees authorized Reed Smith to represent to the Court that they intended to intervene in these proceedings as early as October 30, 2024. *See* ECF 204, at 2. They have been free to file an intervention motion at any time since (other than during a limited stay period from November 25 to December 23 *see* ECF 207, 234). Rather than do so, the families that control Apargo and until recently controlled the Purported Nominees attempted repeatedly to interfere in both this action and the bankruptcy court—in the latter case, to the point of being in active and ongoing contempt of court—by claiming to act on behalf of so-called "Provisional Holdings." The goal of that scheme was clear: delay these proceedings for as long as possible by disputing who controls Eletson, challenge the Court's jurisdiction, and then, when those efforts failed, attempt to prolong these proceedings by way of intervention—all while pushing forward their confirmation/enforcement efforts abroad. *See, e.g.*, ECF 295, at 21 (the Court observing that Purported Nominees appeared to have declined to intervene 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 upon the judgment that their absence alone deprives the Court of jurisdiction to address that question"); *see also* ECF 289-2 at 4–5 (Apargo arguing that "any discovery should be calibrated to allow first for a resolution of Rule 24 intervention motions" and that "[f]or reasons of efficiency and fairness, intervenors should be allowed to participate in defining the scope of fact and potentially expert discovery").

Indeed, while seeking to delay these proceedings, the Purported Nominees—on their own behalf and through Eletson Gas over which they and their former owners are wrongfully purporting

to exercise control in violation of the bankruptcy court's Stipulated Stay Relief Order (Bk. ECF 48)—have pressed forward with enforcement of the award in at least Greece and England, efforts that have resulted in (as of this writing) nearly $2 million in contempt sanctions. A hearing on the Purported Nominees' Greek confirmation and enforcement petition, which seeks to confirm the entire award—including those portions the Court has vacated —is currently scheduled for June 3, 2025 (subject to service being effectuated by May 3, 2025). In the context of the Purported Nominees' request to the parties for consent to intervene, Levona has repeatedly, and as recently as last week, asked the Purported Nominees to forego pursuing confirmation and enforcement in abroad until this Court resolves Levona's vacatur motion. The Purported Nominees have consistently refused those requests.

The Purported Nominees' motion to intervene is a tactical maneuver designed to further delay this action after their other delay strategies failed. They slept on their supposed rights for years and should not be permitted to jump into this action at this late stage.

B. Permitting Intervention Now Would Prejudice Levona

Unless conditions on the Purported Nominees' intervention are imposed to ensure that these proceedings will not be delayed, *see infra* Part IV, permitting the Purported Nominees to intervene now would prejudice Levona, which has already waited for several months to have its vacatur petition resolved in a context where the Purported Nominees and their affiliates are proceeding with confirmation/enforcement efforts abroad. Indeed, the delay to date in resolving Levona's vacatur petition was caused by the Purported Nominees and the Greek families who previously controlled Eletson, which have spent nearly half-a-year insisting that they control Eletson notwithstanding the plan of reorganization confirmed by the bankruptcy court and despite several contempt and sanctions orders that the bankruptcy court issued in an effort to enforce it.

Particularly with a June 3 hearing date in Greece looming, permitting intervention now would unduly prejudice Levona.

Under the operative discovery schedule—which itself was motivated in significant part by the foreign proceedings that the Purported Nominees have refused to withdraw—party document production is closing today, and discovery is closing in roughly six weeks. *See* ECF 311. Based on the representations in their motion, however, the Purported Nominees intend to seek extensive discovery if permitted to intervene. *See, e.g.*, ECF 302, at 2 (Purported Nominees "come before this court asking for the opportunity to develop a factual record"); *id.* at 11 (arguing that Levona and Eletson should "involve the Preferred Shareholders in developing a discovery plan, taking into account their views on the scope of discovery"). Moreover, the Purported Nominees have advised the Court that they have "strong objections to the [current discovery] schedule," ECF 313. At the same time, the change in ownership of two Purported Nominees, coupled with their failure to provide Levona with any details regarding that transaction, and their failure to comply with validly-served third-party discovery (*see supra*, at 8–9)—suggests that they do not intend to meaningfully participate in discovery. "[W]here a grant of a motion to intervene would require further discovery, a court may properly deny the motion." *John Wiley & Sons v. Book Dog Books LLC*, 315 F.R.D. 169, 173 (S.D.N.Y. 2016). The Court should do so here.

IV. IF THE COURT PERMITS INTERVENTION, IT SHOULD IMPOSE SEVERAL CONDITIONS ON THE PURPORTED NOMINEES

Under Rule 24, the Court may impose conditions on any party it allows to intervene. *Chevron Corp. v. Donziger*, 2011 WL 2150450, *5 (S.D.N.Y. May 31, 2011) (citing *Stringfellow v. Concerned Neighbors in Action*, 480 U.S. 370, 378 (1987)) (courts have discretion "to limit the scope of any intervention"). That authority of course exists in cases of permissive intervention. 7C Charles Alan Wright & Arthur R. Miller, Federal Practice & Procedure § 1922 (3d ed.) ("Since

the trial court has full discretion to grant or deny an application for permissive intervention under Rule 24(b), it may if it chooses impose conditions on its grant of the application."). But the Advisory Committee notes state that so too "[a]n intervention of right … may be subject to appropriate conditions or restrictions responsive among other things to the requirements of efficient conduct of the proceedings." Fed. R. Civ. P. 24 (advisory committee notes); *see Ionian Shipping Co. v. Brit. L. Ins. Co.*, 426 F.2d 186, 191–92 (2d Cir. 1970) ("[T]he Advisory Committee specifically suggested that the intervenor might be subjected to conditions necessary to 'efficient conduct of the proceedings'; we can see no reason why similar conditions applied to a discretionary intervenor would not cure any possible objection to intervention in this action.").

A long common recognized condition is that an intervenor "abid[e] by pretrial orders already made." *Fox v. Glickman Corp.*, 355 F.2d 161, 164 (2d Cir. 1965). Specifically, courts may permit intervention on condition that no additional discovery be taken by the intervenor. *See, e.g.*, *City of Syracuse, N.Y. v. Bureau of Alcohol, Tobacco, Firearms & Explosives*, 2021 WL 1051625, *9 (S.D.N.Y. Mar. 19, 2021). Beyond that, particularly when an intervenor has engaged in "dilatory tactics," courts have imposed even more restrictive conditions, including requiring an intervenor to waive the right to a jury trial. *U.S. for Use & Benefit of Browne & Bryan Lumber Co. v. Mass. Bonding & Ins. Co.*, 303 F.2d 823, 829 (2d Cir. 1962).

Accordingly, and in view of the issues of strategic delay and prejudice addressed above, any order permitting intervention should at minimum require the Purported Nominees to abide by the current scheduling order. And for the same reasons, the Court should also condition intervention on the Purported Nominees withdrawing their pending Greek confirmation/enforcement petition and agreeing not to pursue confirmation or enforcement elsewhere prior to resolution of this action.

CONCLUSION

The Court should deny the Purported Nominees' motion to intervene.

DATED: April 21, 2025

QUINN EMANUEL URQUHART & SULLIVAN, LLP

By /s/ *Isaac Nesser*

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CERTIFICATE PURSUANT TO LOCAL RULE 7.1(c)

I, Isaac Nesser, certify that the foregoing opposition contains fewer than 8,750 words. According to the word processing program used to prepare this opposition, it contains 7,249 words.

By */s/ Isaac Nesser*
Isaac Nesser

Exhibit 48

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.	Civil Action No. 23-CV-7331 (LJL)

AMENDED CORPORATE DISCLOSURE STATEMENT
PURSUANT TO FED. R. CIV. P. 7.1

Pursuant to Federal Rule of Civil Procedure 7.1(a), Desimusco Trading Limited ("Desimusco"), by and through its counsel, hereby amends its Rule 7.1 disclosure and states that Desimusco's parent company is Blige Corporation. Desimusco also states that no publicly held company owns 10% or more of Desimusco.

Dated: April 9, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Hal Shaftel, attorney for Desimusco Trading Limited, hereby certify that I served a true and correct copy of Desimusco Trading Limited's Fed. R. Civ. P. 7.1, upon counsel of record via the Court's electronic filing system on April 9, 2025.

/s/ Hal S. Shaftel
Hal S. Shaftel

Exhibit 49

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.	Civil Action No. 23-CV-7331 (LJL)

AMENDED CORPORATE DISCLOSURE STATEMENT
PURSUANT TO FED. R. CIV. P. 7.1

Pursuant to Federal Rule of Civil Procedure 7.1(a), Fentalon Limited ("Fentalon") by and through its counsel, hereby amends its Rule 7.1 disclosure and states that Fentalon's parent company is Ascella Limited. Fentalon also states that no publicly held company owns 10% or more of Fentalon.

Dated: April 9, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Hal Shaftel, attorney for Fentalon Limited, hereby certify that I served a true and correct copy of Fentalon Limited's Fed. R. Civ. P. 7.1, upon counsel of record via the Court's electronic filing system on April 9, 2025.

/s/ Hal S. Shaftel
Hal S. Shaftel

Exhibit 50

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.	Civil Action No. 23-CV-7331 (LJL)

CORPORATE DISCLOSURE STATEMENT PURSUANT TO FED. R. CIV. P. 7.1

Pursuant to Federal Rule of Civil Procedure 7.1(a), Desimusco Trading Limited, by and through its counsel, hereby states that Desimusco Trading Limited has no parent company, and no publicly held company owns 10% or more of Desimusco Trading Limited.

Dated: April 7, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Hal Shaftel, attorney for Desimusco Trading Limited, hereby certify that I served a true and correct copy of Desimusco Trading Limited's Fed. R. Civ. P. 7.1, upon counsel of record via the Court's electronic filing system on April 7, 2025.

/s/ Hal S. Shaftel
Hal S. Shaftel

Exhibit 51

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.	Civil Action No. 23-CV-7331 (LJL)

CORPORATE DISCLOSURE STATEMENT PURSUANT TO FED. R. CIV. P. 7.1

Pursuant to Federal Rule of Civil Procedure 7.1(a), Fentalon Limited by and through its counsel, hereby states that Fentalon Limited has no parent company, and no publicly held company owns 10% or more of Fentalon Limited.

Dated: April 7, 2025

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I, Hal Shaftel, attorney for Fentalon Limited, hereby certify that I served a true and correct copy of Fentalon Limited's Fed. R. Civ. P. 7.1, upon counsel of record via the Court's electronic filing system on April 7, 2025.

/s/ Hal S. Shaftel
Hal S. Shaftel

Exhibit 52

IN THE UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF TEXAS

HOUSTON DIVISION

Kithnos Special Maritime Enterprise, et al.	§	CASE NO. 2:25-cv-00042
	§	HOUSTON, TX
VERSUS	§	MONDAY,
	§	APRIL 24, 2025
M/V Kithnos, et al.	§	2:07 PM to 3:18 PM

BEFORE THE HONORABLE DAVID S. MORALES
UNITED STATES DISTRICT JUDGE

APPEARANCES:

FOR THE PARTIES: SEE NEXT PAGE

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HOUSTON, TEXAS; MONDAY, APRIL 24, 2025; 2:07 PM

THE CASE MANAGER: The Court calls civil action number 2:25-CV-00042, Kithnos Special Maritime Enterprise, et al. v. M/V Kithnos, et al.

May I have appearances from counsel, please?

MR. FLOYD: Yes. Good afternoon, Your Honor. This is Edward Floyd, from the Floyd Zadkovich firm, on for the Plaintiffs. And also on the line with me I have colleagues of mine, Luke Zadkovich and Augusto Garcia, as well as another associate, Abby Wagg in my office with me, and Eva-Maria Mayer listening in.

THE COURT: Okay.

MR. JORDAN: Good afternoon, Your Honor. Kendrick Jordan, on behalf of the Plaintiffs, as local counsel.

THE COURT: Okay. Mr. Jordan are you going to be speaking today, or just local counsel?

MR. JORDAN: Just local counsel, Your Honor.

THE COURT: Just to help me stay organized and focused, no offense to you, but would you mind turning your camera off? If you need to say anything, for anybody who's not visibly on the screen, you may turn your camera on if you have a need to participate verbally. But for now, Mr. Jordan, camera off. Let me stay focused on the -- This case is complicated enough.

Continue with your --

MR. JORDAN: Understood, Your Honor.

THE COURT: Very good. Continue with your appearances.

MR. GEORGANTAS: Dimitri Georgantas. Can you hear me, Your Honor?

THE COURT: (indiscernible)

MR. GEORGANTAS: Dmitri Georgantas, Eugene Barr, Bruce Ruzinsky, and Victoria Argeroplos, on behalf of the Claimant. Good afternoon, Your Honor.

THE COURT: Okay. Thank you. Good afternoon.

MS. HAAS: And Your Honor, Kelly Haas, on behalf of National Maritime Services. I will turn my camera off, though, because I don't anticipate speaking today.

THE COURT: Okay. All right. Thank you for being here.

MR. HART: Good afternoon, Your Honor. Chris Hart for OCM Maritime Gas 4, LLC (indiscernible)

THE COURT: Okay. And I guess I should begin by saying my apologies to you in the last order that I did, because I -- I think I had words to the effect that your client doesn't really have a dog in the fight. But they really do because they want to get paid, and I am aware of that, and we'll -- Don't let me --

Everybody, we are here today to talk about the potential release of the vessel. And Mr. Hart, I am directing

you not to let me finish these proceedings, to -- if I do get to make a ruling without considering the issue that you raised in your response, about how to get your client paid. And I'll hear from everybody on that issue, but don't let me shut this down without at least giving you your cents, your two cents. Okay.

MR. HART: Yes, Your Honor. Sounds good.

THE COURT: All right.

Now, in my last order, I told you all that the first order of business at the hearing will be you all reporting to me about your conference, about your meeting, and how that went, and if you've come up with a joint proposal for the release of the vessel.

But anyway, with regard to the conference, did that happen, Mr. Floyd?

MR. FLOYD: Yes, Your Honor, the conference did happen. It was quite a fulsome, solid one-hour conference, maybe pushing on to the two-hour mark there amongst a number of us from all the interested parties, including for the custodian, I believe Ms. Haas was on, and certainly Mr. Hart was on as well, and obviously, counsel for the Claimant-purported entity. And we had that conference. Unfortunately, I would say that we have not reached a landing that's mutually agreeable. My impression coming away from the conference was that, speaking here regarding the Claimant and the Plaintiff,

that both parts would like to see the vessel released under appropriate protections, but that on the details of how that would work, there was not mutuality.

There would also be an acceptance I think on both sides of some form of an escrow account for the vessel revenues, be it freight earned on a voyage charter, or hire earned from time chartering, to be paid into escrow. But even on the details at that level (indiscernible) step back, and also for that escrow account then be utilized to pay the so-called op-ex, or operating expenses of the vessel, and I think that everybody accepts that that would likewise include higher due to OCM under the bareboat, and certainly crew wages for the appropriate crew. But beyond that, there is a general lack of mutuality on topics such as trading limits, other protections that might be necessary, and certainly the most important being who would be in control (indiscernible)

THE COURT: Okay. We're going to get into all of these issues. But Mr. Georgantas, I'm going to give everybody a chance to talk. You may not agree with everything Mr. Floyd said, but I take it you agree that you all conferred, and really talked about some issues, but just were unable to come up with an agreement with regard to the release of the vessel. Is that correct, Mr. Georgantas?

MR. GEORGANTAS: That is correct, Your Honor.

THE COURT: Okay. So now, the issue that I'd like to

address today, and hopefully we can come to some agreement, or I can make a decision on this, is whether or not to release the vessel. And I know that the Plaintiff has filed this motion for the release of the vessel, and I don't think -- I know that the owner of the vessel, OCM, filed a response. I don't think that the Claimant, Mr. Georgantas' clients, has filed a written response to that. But you all are on notice what we're to be talking about today, but before I really get too much further in this today, Mr. Georgantas, were your clients intending on filing a response to the Plaintiff's motion to release the vessel? I think under the local rules, it's technically not due until tomorrow.

MR. GEORGANTAS: Yeah, absolutely, Your Honor. It will be filed tomorrow, and it will elaborate in more detail some of the things that we will no doubt discuss today. But the answer is yes.

THE COURT: Okay. Then I am not going to make a ruling from the bench on this motion, but I'm going to make some inquiries. And I think, Mr. Georgantas, you should be able to argue your respective position, because I basically put everybody on notice what we're going to be talking about in my order, dated April 11th, 2025. So that's what we're doing today. I think everybody knows it.

You all are aware of what I'm interested in, whether or not to release the vessel. I think the vessel should be

released, if possible. Who the vessel should be released to, what the conditions are, whether or not there should be some form of financial security. If I order the crew to be replaced, how as a practical matter that would occur, how they would be replaced, how they might get back to their countries, who pays for it, those types of things. If the crew is not replaced, what conditions could be in place to make sure the vessel is not going to abscond, and other concerns.

And then finally, whether or not the vessel could be placed into the custody of a third party for operating the vessel. And that would be the safest way to go, I think, putting a neutral party, but it may not be the most economical way, and there may be other reasons not for doing it.

But with those things that I want to hear about -- And just so everybody knows, I do not want to argue the merits of the case. I don't want to hear anything about preferred shares, or the arbitration award. I don't want to hear anything about that. I have stacks of documents that I've read, I've read bankruptcy proceedings, and it's not really that complicated. I think I have a good handle of this. But I think what I -- I'm not saying I'm going to do this, but you all are pushing me to make a decision on the final resolution of this case. I would really like to see the Bankruptcy Judge, the District Judge, and the Second Circuit give me some guidance on how to proceed, and I would like to slow walk this

case until I get an answer from those courts. I don't necessarily know that I have to. I don't know that we have to, and at some point you all are entitled to have an answer on this case. But for now, I want to focus today on whether or not to release the vessel. So stay away from the merits of the case, and let's talk about getting this ship back to work.

Mr. Floyd, the floor is yours.

MR. FLOYD: Yes, Your Honor.

Getting the ship back to work, I think it's helpful to give a little bit of background on the context of the meet and confer just so the Court can understand what progress was or was not made. As I said beforehand, there's general agreement, I think it's fair to say, on having some type of an escrow account and that the escrow account could be used to fund op-ex. I have no doubt that parties would need to sit down a little bit further to precisely ink out what counts as op-ex from an accounting perspective and so forth. But I'd be shocked if anybody on this call were going to contest that the bareboat charterer's hire needs to be paid, that the crew on a released vessel (indiscernible)

THE COURT: Could you say that again? That sounds important -- that sounds important. Say that again. I want to make sure I'm tracking.

MR. FLOYD: The bareboat charterer -- excuse me, the bareboat -- the owner under the bareboat charter is Mr. Hart's

client, OCM. In OCM's response to the release motion filed yesterday, or the day prior, OCM made clear that they want to get paid their hire under the bareboat. Mr. Hart had also raised that during the meet and confer that occurred a week or so ago. Nobody's contesting that, as far as I know. We're certainly not doing that. That's recognized. Whether that comes before or after the crew gets paid, I don't know, but I suspect reasonable minds could come to a landing on that. And I'm not trying to be contentious on that at all, I just don't know off the top of my head what makes sense there.

But for the escrow issue, my sense is that it doesn't make too much sense to dwell on that, because it's a subsidiary consideration. Certainly, we all have comments and thoughts on it, but that can get worked out. It's the bareboat charter, it's the crew wages, it's port disbursements and so forth, insurance, importantly, things of that nature that, at least from a lay, non-financial perspective, I would think of as being kind of like op-ex, operating expenses.

Where there was disagreement was on a number of different topics, but I'd like to -- and that included whether or not there should be trading limits. Our take was that if the vessel was released, there should be trading limits, namely the Caribbean, Mexico, so that she's not going too far afield, halfway around the world, and trading between countries on the other side of the world, in which case all of the risks

attended to any type of absconding, or other funny business that could go on would become all the more prevalent.

But the real crux of the matter is who, as between Claimant and Plaintiff, would be in control of that vessel during the lease for voyages. And going into the meet and confer, as well as in our motion papers, our position has been emphatically that the Plaintiff should be in control. Mr. Georgantas, on behalf of the so-called Claimants, and I will add just that we don't really know who the Claimants are, but that may or may not be a merits-based issue, so I'll stay away from it. But Mr. Georgantas' position on control of the vessel was that the Claimants should be providing the crew, same crew, same master that they currently have. That is absolutely unacceptable.

MR. GEORGANTAS: I'm sorry, Your Honor, I never said the Plaintiffs. I said the Claimants.

THE COURT: For the Claimants.

MR. FLOYD: (indiscernible)

THE COURT: I understand. I'm tracking. Mr. Floyd, I'm going to allow you to continue, but I meant to mention this at the beginning. And I don't want anybody to respond to this now, but I want you to think about it, because before the end of the hearing I'm going to ask you if either side has a person that they would like to sign off on as being responsible, a physical human being that's subjecting themselves to the

jurisdiction of this Court, that would be willing to go to jail by an order from me in a contempt proceeding if this vessel takes off. I want to know if you all have a person, a live person that I could have sign some form of document. In the criminal context, it may be called a third-party custodian. But a human being who is willing to say, Judge, I'll make sure this vessel is here. And if it takes off, I'm willing to sit in jail until we can get it, get it back. Think about that. And I'm not saying I'm going to do that, but think about it.

Mr. Floyd, you may continue with your argument.

MR. FLOYD: Thank you, Your Honor. And that, I know, has also been one of the questions that I've posed to Mr. Georgantas during various discussions, is precisely, well, who goes to jail if it absconds?

Moving on, though, the crux of the issue is, though, who remains in control? And from the Plaintiff's perspective and position, it is absolutely unacceptable to have any situation in which the Claimants would continue to man the vessel with its top four officers and crew. The situation currently is that those top four officers and crew should be taking their instructions from our clients, but they are not doing so, which gives us considerable concern in that situation.

During the meet and confer, we proposed a compromise, moving away from full replacement of all personnel on the

vessel, the full complement of the crew, and instead going with a replacement of the top four officers, the master, the chief engineer, and another two, or something similar to that. That was rejected.

We went back to the drawing board on the Plaintiff's side and gave further thought to how to propose a compromise that would seem reasonable. And we went across to Mr. Georgantas, to the Claimants earlier this week, I believe it was about 48 hours ago. It might have been either yesterday or the day prior, it was two days ago, and proposed a third-party approach by which a technical manager would be put in place that would be an independent third-party technical manager, and that another management company would be put in place that would be the commercial manager. We put names to those. I'm sure there's others out there that could do the job as well, but these are two big, well-known participants in the gas market, namely Anglo-Eastern and BWEK. That was likewise (indiscernible)

THE COURT: And explain that to me again. Those companies, would they provide a captain? Or what would their role be again?

MR. FLOYD: They would -- So the -- And I'm a non-mariner myself, Your Honor. A maritime attorney, but not at sea. But the technical manager would provide, the essence of it would be the technical management company, which would be

Anglo-Eastern, would provide the crew, and also carry the DOC, or Documents of Compliance, which is essentially the license to trade under the flag state (indiscernible)

THE COURT: When you say the crew, are you proposing the entire crew, or is this the compromise where there would be a partial replacement?

MR. FLOYD: The concept here would have been the entire crew. Because I imagine here, and maybe there is some room for flexibility, but I would imagine if Anglo-Eastern came on in, or any similar large scale technical management company, they would want to put their own people on the ship, and know that they are trained, etc. Now, some of those names might be the same, talking at the crew member levels. I'd expect (indiscernible)

THE COURT: Well, I understand. Your perspective is they would need to make the decision if they're going to take over the ship, and they may find crew members who are suitable to them.

MR. FLOYD: That's correct, Your Honor.

THE COURT: And they may hire some of those persons because they're on the ship, familiar with the ship, ready to work. But you're not promising that, and it's just, it may work out that way. You may continue.

MR. FLOYD: Correct, Your Honor. And I would be surprised if that would -- and I don't think it would be

acceptable if that included the officers, given the situation here. But if some of the crew members remained on board, maybe that happens, but that's beyond my bailiwick.

For the commercial management, those are the folks who would go out to the market to find cargos, either for a voyage charter, a time charter, a trip time charter, whatever it might be, and take bids and cut the deals, etc. There's more to a commercial management situation, but that's the essence of it.

Our initial proposal for commercial management, or for obtaining cargos and getting some business was to set up a panel, be it two or four, split evenly between the Claimant and the Plaintiff, who would go out to the market as brokers, try to get cargos, and then just take the best bid. But given that that was not acceptable during the meet and confer, we reverted with the concept of just going with the independent commercial management company here, the concept being BWEK, that would run the commercial aspects of the ship, financial aspects.

And unfortunately, that has not been accepted. I think that if we can get over that hump, it takes away a lot of the other concerns. Because if there's an independent big party commercial management company in the driving seat, there's a lot less concern about having precise visibility on every single aspect of when $10 gets paid on a court disbursement. And I'm being facetious there. Or more

importantly, there's no concern that a freight rate for the Kithnos, the vessel at issue here, might be artificially reduced, which is a real risk, in order to elevate a freight rate on a different vessel that's also under the erstwhile control of the Claimants in this situation, and effectively shift money around and play a little game of three-card Monte. That's the concern, those types of concerns, but probably also the trading limits go away if we've got a highly respected independent commercial manager, and highly respected independent technical manager coming into play ball.

The other concerns they float away. I think all the other details would get sorted at that point.

THE COURT: All right. Let me turn it over to Mr. Georgantas. You may proceed.

MR. GEORGANTAS: Thank you, Your Honor. I appreciate the Court does not want argument on the merits, and I think there will be --

THE COURT: Proceed on my own risk.

MR. GEORGANTAS: I will proceed air my own risk. Thank you.

But just as a big picture item, I do want to respectfully remind the Court that the burden is on the Plaintiffs to establish that they have probable cause to arrest this vessel in the first place, and maintain the arrest. And we do not think they have met that burden at this point. And

nevertheless, they come to you before and with certain inaccuracies in what was presented that I will explain And they're basically asking for what we think amounts to some kind of an interim award whereby they're asking the Court to give control possession of the vessel to the Plaintiffs, or to some, by way of compromise, third-party manager. And yes, Your Honor, for the reasons I will explain, we vigorously oppose that, because we don't even think they're going to be able to carry the day -- to maintain the arrest at the end of the day. But I won't go any further on the merits, but it is something you need to consider, that they're asking you to give them the keys not only prematurely, but as I would point out, without precedent. There is no legal precedent for what they're asking.

So let me just get to some of the points that took place at the meet and confer.

THE COURT: Okay. Very good.

MR. GEORGANTAS: First of all, let's talk about the officers, their so-called compromise to just replace the top officers. Your Honor, that is not a compromise. That is control of the ship. They are suggesting that the vessels master and chief officer would be the deck personnel, and the chief engineer and the second engineer who control the engine room be appointed by Plaintiffs, that that's somehow a compromise, and the rest of the crew would, you know,

presumably be the Claimant. That is not a compromise. That is a red herring, and it is not a correct, or even accurate or truthful representation to the Court.

These top officers control the vessel. So when Mr. Floyd suggests that we wouldn't even agree to that compromise, that is not a compromise. That is just a different way of them asking for the control of the vessel. Which by the way, if I may add, they already took a (indiscernible) early on when they tried to replace our captain with allegations that he was not cooperating, or there were unsafe conditions on the ship, none of which was proven. And of course, as you know, your order has been complied with without question since that day. That includes documents, reporting procedures, and everything that was in that order, including an email to the captain, with a copy of the order. So this so-called compromise, we reject that.

I appreciate from a sort of high point of view that this other next "compromise" that they're suggesting with respect to some neutral party or third-party management has some initial appeal. I respect that. But it does not, and should not persuade the Court. First of all, one of the entities that they recommended, BW, and it's not the full name, but it's BW, that is a direct competitor of the Claimant. A direct competitor. So by giving control of vessels that are controlled by the Claimant, this vessel and potentially other

vessels, they're exposing the Claimant's operational details to a direct competitor in a situation that they have not even proved that they're entitled to arrest the vessel, in our view. So it's again, not a good solution.

In addition to that, the logistics of having a third-party manager, in terms of safety systems that are in place, insurance policies, vetting procedures that are in place for these vessels to trade with various companies, meaning that they are approved and sea-worthy to carry the cargoes they are supposed to carry, the training of the crew, all that we have right now for these vessels would presumably go away into some kind of an unknown area. And we urge the Court to reject that.

So this is just another way of the Plaintiffs telling the Court that, okay, Judge, if you don't give me the vessel, don't give it to the Claimant, but let's give it to a neutral party. But in the process, they're dispossessing us from the vessel on an interim basis without any legal precedent. And that part, Your Honor, will be in our response. Because I can tell you right now, they cannot point to a single case -- I'm not talking about the merits of the case, I'm talking about what they're proposing. They cannot point to a single case that a court approved this type of release that they're suggesting. The only case that we could find, and we're trying to get a copy of it, because it's an older case from the '80s, is a case that the vessel was in fact released to the Claimant,

not to the Plaintiff for a short period of time.

With respect to the panel of brokers that they suggested that we rejected, not true. They proposed a panel of four brokers, two and two. We suggested that's a recipe for confusion, and that maybe one and one would be a better way to go about it.

We did discuss the escrow account, and we were amenable to that. Revenue goes into the account, expenses are paid, obviously the owner gets paid, Mr. Hart's client. We are in agreement on that. I agree we have to work out some details on that, and we're here to work on those, and to the extent that we couldn't agree, the Court could intervene and provide some guidance.

Furthermore, in connection with the security that the vessel would not abscond, if I can address that issue, an important part of the meet and confer was left out. And we think this is a very important part. We suggested -- we offered to Mr. Floyd that if they wanted to, we would certainly be amenable to keep a representative of the custodian on board the vessel. The custodian, or the representative would basically ride with the vessel, or some arrangement in that context. And in fact, Ms. Haas, who is here with us today, asked whether, you know, somebody from NMS could be that person, and we responded, you know, we didn't have an objection. So that, we think, is a huge protection, because if

the vessel were to abscond, so to speak, which is not going to happen, Your Honor, then we get into kidnapping here, in areas like that. So that's just -- You know, we're starting to get in some kind of twilight zone here, with Mr. Floyd's requests and all that, and concerns about absconding.

To further respond to your question, we had a hearing last week before Judge Ellison, and the release and conditions, potential conditions was also discussed. And I'm here to tell you, Judge Ellison asked me point blank, he said, "Mr. Georgantas, if I tell you to bring this ship back, will you bring it back?" And I immediately responded, "Yes, we would, Your Honor." And of course, any other teeth that the Court, Judge Ellison or you would want to put in an order.

I appreciate you asked about the person that basically we would nominate, and I'm happy to go back to our client and respond to that request very quickly, Your Honor, in terms of a violation of the order, that somebody physically would agree to come and go to jail if your order to presumably bring the ship back, I assume, was violated, and the ship did not come back, you know, within reasonable travel time to get back to your jurisdiction. So that is something that, you know, we can certainly discuss with our client, and get back to you.

The presence of a custodian on board I think is huge, because that would ensure that not only is the custodian on

board, but presumably in communication with the Plaintiffs and/or the Court as necessary, because as you know, the custodian is basically a substitute for the U.S. Marshal.

With respect to the meet and confer, we also offered to report to them twice a month where the ship would be going. And by the way, these offers, Your Honor, would be made across for the other two vessels that are under arrest in this district. We offered to report to them where the vessels would be going twice a month. We told them, confirmed to them that the vessels' AIS would always be on, because that is a requirement in any event, and they could track the vessel with the AIS signal, electronically. Just about anybody could do that, that has the software.

So we further offered for the escrow account to be set in an account that will be within the jurisdiction of the Court. So whatever escrow account is set up, it would be within the jurisdiction of the Court, so the money that goes into the escrow would be within your jurisdiction.

With respect to replacing the crew, as things currently stand, there could be logistical problems. Right now, we have two or three crew members on one of the vessels that their contracts have expired, they want to go home, we want to send them home, we want to replace them, but we have had issues with immigration in terms of allowing them to get off the ship. And we're trying to work with the port director

in Corpus, and see if we can make some exemption for these crew members to go home, and be replaced. So there will be huge logistical problems with wholesale replacement of the crews, in addition to basically removing crews that know the vessel, they're fully trained, and they have been on board and training on these vessels.

With respect to the training limits, Your Honor, it's a little bit of a gray area, and let me express to the Court what our position was on the meet and confer. They want a trading limit, U.S.-Mexico, which by the way, one or two of the vessels have been on what we call a milk run between Texas and Mexico, but that was only because of that particular charter party, or the contract with the shipper of the cargo. But they want a trading limit, Caribbean, sort of Mexico and no further, because then we get into other parts of the world. Again, there's some sort of initial appeal to that because they're close, they're in the Caribbean or the U.S. Gulf. But what remains unassailable is that whether it's the Caribbean or Singapore, they're still out of the jurisdiction.

So the concept of limiting the trading pattern or range, if you will, of these ships could affect their profitability. Because you know, we may be able to fix a charter, or book some cargo to go to somewhere other than the Caribbean, but it could be very profitable. Whereas a booking to go back to Mexico, or some other place within a trading

restriction would be less profitable. So the trading restriction presents, potentially, a commercial adverse impact in terms of the vessel's ability to gain maximum revenue, as opposed to trying to be safe and stay close, but still well out of the jurisdiction.

I'm trying to see here what other proposals we made to them.

THE COURT: Can I interrupt? And I'll allow you to go back to your presentation in a minute.

MR. GEORGANTAS: Of course.

THE COURT: But in many of these types of cases, I see an application for a bond to release the vessel under certain financial security. I haven't seen anything like that presented. Can you address that, about whether or not that's a possibility? If not, why not? Why it hasn't been done, if it's viable? That type of thing.

MR. GEORGANTAS: Yes, Your Honor, you're right. In these cases, it's either a bond, or some other type of security that typically, in the maritime world, the vessel's P&I club, the Marine insurer, puts up what we call a Letter of Undertaking. This is in cases where you have an arrest under Rules B and C of the Maritime Rules, where somebody has a claim, or for instance, somebody made a repair on a vessel and they didn't get paid. That gives them a maritime lien to arrest the vessel to get paid. If there's a dispute, the

owner, or the P&I club puts up security for the claim, and the vessel is released.

Rule D is a little bit of a different animal because we're talking about a possessory interest here that they are claiming, which we don't think they have. So we're talking about, basically, the value of the vessel, and these are going to be significant amounts.

With respect to releasing the vessel to the Plaintiffs, it will be the claimant that's exposed. Because if they abscond, we have nothing. And if we prevail, and I think we will on the wrongful arrest, there's going to be significant damages here, and we will not have any recourse against the Plaintiff. And so I think that's a good question that you posed. Whereas if the vessel remains with the Claimant, we do have the escrow account in place that we have proposed, and we can sort out the rest later on, when the Court decides on our motion to vacate.

THE COURT: I should have asked this, and I'm sorry about this for both of you, but this agreement with the vessel, this chartering agreement, when does it end? And would it likely be re-upped? That type of thing? Is there --

MR. FLOYD: Your Honor --

MR. GEORGANTAS: I would like to check, but probably -- I'm guessing maybe another two or three years -- I'm sorry (indiscernible)

THE COURT: On the charter agreement, is it set to --

MR. GEORGANTAS: (indiscernible)

MR. FLOYD: (indiscernible) the bareboat charter, and Mr. Hart would be in the best position to answer that question, and I think that's why he just came on the screen.

THE COURT: Okay.

MR. HART: Yes. Your Honor, I believe the bareboat charter party will check the terms, but from my memory, it has a five-year term --

THE COURT: That's right.

MR. HART: -- a date in February 2022, so it would run through roughly February of 2027.

THE COURT: Okay.

MR. FLOYD: And Your Honor, I believe (indiscernible)

THE COURT: And so it's kind of technical, and it doesn't sound like either side's really pushing for a bond. But it's not really the value of the vessel that we're talking about the bond might be for, because neither the Plaintiff or the Claimant own the vessel. You're really talking about the right to use the vessel, and the process in the vessel.

Mr. Floyd, I might have --

MR. FLOYD: (indiscernible)

THE COURT: Go ahead.

MR. FLOYD: Your Honor, I know none of us have the exhibit up on the screen or anything at this moment, but I

believe that in the bareboat charter, there's also a purchase option on the backend.

THE COURT: Okay. Okay. All right.

MR. FLOYD: And if I can, on a couple of (indiscernible)

THE COURT: Let me -- Before I turn it over to you, Mr. Floyd, just a second. I'm going to let Mr. Georgantas just finish his thoughts, and then I'm going to give each of you just a brief rebuttal, just a very brief rebuttal.

But Mr. Hart, can you just give me a general, if you know, an idea about how much -- you know, I don't know if I want to say gross profits, but how much money does this vessel generate over the course of a year? Like, I'm just trying to get my sense of, like, the dollar figures that we're dealing with here, and how much money it's costing to just have this vessel not working. I'm just trying to get a handle on the finances.

MR. HART: Well, from the owner's perspective, Your Honor, I can say that off the top of my head, I think the current monthly bareboat charter hire payments are, I think, $130,000 per month (indiscernible)

THE COURT: Does that apply whether or not the ship is working or not? It's not a percentage of the cargo, you all get paid $130,000 a month whether it's working or sitting in dock?

MR. HART: Yes, Your Honor. Yes, that is correct.

THE COURT: Okay.

MR. HART: It is not contingent on the vessel (indiscernible) bareboat charter.

THE COURT: And I'm sorry, did I hear you correctly, it's a month?

MR. HART: Yes.

THE COURT: Okay. All right. That's important.

MR. HART: So that's --

THE COURT: For some --

MR. FLOYD: Your Honor --

MR. GEORGANTAS: Just if I may, I'm sorry, I was going to supplement Mr. Hart's comment, if I may be allowed.

THE COURT: You may. You may, and then -- But Mr. Hart, I'm going to go back to Mr. Georgantas after you, but anything else on this kind of profit, or anything else that you want to say before we move back to the adversary parties?

MR. HART: Just I can say my calculator does tell me an annual amount of that charter hire would be roughly in the neighborhood of $1,560,000. Which again, the terms of the charter party may differ. But that provides an approximate range for just the bareboat charter hire. The vessel, while it's in operation, of course has other expenses. But that's one of them.

THE COURT: Okay. Understood.

All right, Mr. Georgantas, we cut you off in your presentation. I'm going to let you finish that up, and I'll turn it back to Mr. Floyd, and then, Mr. Georgantas, I'm going to give you the last word before I check in with Mr. Hart. So Mr. Georgantas, you may wrap your thoughts up.

MR. GEORGANTAS: Right. So I know what the Court is trying to get, so Mr. Hart's client gets his fixed $130,000 a month. But that is not the gross revenue of the vessel, Your Honor.

THE COURT: Understood.

MR. GEORGANTAS: That is -- yeah, that is what we pay Mr. Hart. We turn around, and we go out in the market, we carry cargoes, so those revenues are, you know, well in multiple seven figures over a year period. And depending on what the market is doing, you know, did you get a, you know, a good trip or not a good trip -- A little bit of what I was talking about earlier was limiting the vessels trading range with respect to getting a good picture that will pay more money than something else. So we just don't have the number, but it's a significant number, Your Honor.

THE COURT: Okay.

MR. GEORGANTAS: The other item in the bareboat is this option purchase that we currently have. We are the rightful Claimant, and again, not getting into the merits. And if we're dispossessed of this vessel, whether by the Plaintiffs

or by the third-party manager in an interim sort of award, then potentially, if they disappear, and it could happen, then we lose that option that we can exercise. That is our option right now. They have not proven otherwise. They're just coming in here on an interim basis, and in our view on very shaky grounds, but that's for later, for you to decide. But there is an option purchase there that we need to protect on our part with respect to, you know, an interest in the vessel. So just to address that.

So as a concluding remark, Your Honor, I just want to conclude kind of the way I started. There is no precedent for what they're asking in this interim kind of manner. We all agree that it would be best for the vessel to gain some revenue, and mitigate losses. And I think the best way to do that is for the vessels to reach -- or this particular vessel to be allowed to continue under the present situation of the Claimant, with the commercial management that we have, the technical management, our crews, and the money to go into an escrow account, and any other precautions that the Court might want to put in place.

But we do respectfully request that their suggestion for the Plaintiffs to take over the vessel, or a third-manager, should be rejected, and we will be elaborating further in our response to the motion to release that you can, you know, review at your convenience.

THE COURT: Okay.

MR. GEORGANTAS: Thank you, Your Honor.

THE COURT: All right. Mr. Floyd, I'm going to let you wrap up your comments, and as I said before, then I'll give Mr. Georgantas his final word, and then I'll hear from Mr. Hart.

MR. FLOYD: Thank you, Your Honor. And to begin with, I'd like to go to the bond issue, which is somewhat discreet from the other topics here. My rough sense, having looked at a few charter parties over the time and everything, and obviously the rates fluctuate, they're indexed and so forth, is that the value of that ship in the hands of somebody holding, being the charterer under the bareboat, and thereby having the ability to go out and charter it in the market, would be in the range of perhaps $20,000 per day. So we're talking about a very, very valuable asset with a purchase option on the back end of that 2027 end date for the current bareboat. So it is a very valuable asset in the hands of the rightful holder of that asset.

And that somewhat parlays into the next topic, but just underscores from our perspective if the Court has any consideration whatsoever of sending this ship back to sea with any part of the current crew on there, we absolutely believe that the value of a bond to be posted by the so-called Claimants, again don't know who they are, which is another

concern, and a very legitimate one, is that it needs to at least be in the value of the ship. And if the Court would like supplemental briefing from any of the parties on that particular issue of what the value of the vessel is, we'd be happy to do so on a bonding topic there. But from our perspective, that ship is never coming back to the U.S. If it gets underway with the so-called Claimant's officers and crew aboard, it's gone.

That shifts to the next topic there, of why we have all that concern, and I think that's really where this goes to. I'd like to go to a comment that Mr. Georgantas had during the penultimate, or second penultimate sentence that he was concluding with. He just said, "We want to use the technical management we have in place." Your Honor, the technical management for the Kithnos is Alexin Corporation. Alexin Corporation is a wholly owned subsidiary of Alexin Holdings. Alexin Holdings is our client, it is indisputably our client. That is what Judge Mastando of the United States Bankruptcy Court has said, that is what Judge Lyman has said. They have both underscored that there are not two Alexin Holdings out there, there's just one, and that is our client. There's no dispute about that. And its fully-owned subsidiary, Alexin Corp., is supposed to be the technical manager of this ship right now, but this ship has been effectively, and I'm not being facetious or over the top here, it's been pirated, Your

Honor.

And Mr. Georgantas earlier in his dialogue, in his argument said that they're going to pull up some precedent from the 1980s about a similar situation. I'm willing -- Judge, you wanted somebody who will go to jail? I'm willing to say right now that Mr. Georgantas finds a precedent from the 1980s holding that pirates got their ship back on a release order, and were able to sail off as the pirates, with their parrots on their shoulders and everything else, after stealing the ship. I'll be the one to go to jail, Your Honor. I'm not confident he doesn't have that case there from a United States court. I think we all know that.

But that piracy situation, with no over-the-top discussion, is what's going on here. These ships are owned by the -- the ships are owned by the registered owners, but are supposed to be under the control and operation and revenue earning service of our clients. Yet, despite pumping $53 million, plus a full debt for equity swap into the Bankruptcy Court to bail out a company that had been run into the ground, our clients have yet to get a single penny of freight for hire revenue from any of these ships, including the Kithnos. And that consideration goes to all of the hallmarks that give us considerable extreme concern that the Kithnos is gone if she's allowed to sail with Mr. Georgantas' Claimant crew aboard.

Mr. Georgantas proposed, oh, it's all right. They've

got AIS, they can track her around the world. Well, that's coming from the same people who down in Panama have a ship called, that we now have under arrest in Panama, but the Kimolos, K-I-M-O-L-O-S, for a corporate reporter needing that. Kimolos is under arrest. Kimolos is the one that -- and I'm not a tech person, but spoofed her AIS system so that she looked like she was on the west coast of the Panama Canal when she was supposed to be, and actually on the east coast, in order to try and avoid an arrest. That's a safety issue right there. Take the people who perpetrated that safety issue, and get rid of them. They shouldn't be anywhere near a ship. That's a danger to everybody, and it's certainly a danger to my client's financial interests. That's a problem right there.

Off the coast of Texas, another ship. Two, three months ago, the Kinaros, K-I-N-A-R-O-S (indiscernible)

THE COURT: Mr. Floyd, I'm so sorry, I only have a limited amount of time today. But the arguments that you're making about some of the alleged conduct has been presented to me in motions and pleadings with affidavits, and I'm familiar with that. So I don't want to cut you off, but if I give you another 15 minutes, I'm going to need to give it to Mr. Georgantas. So I'll give you just a few more minutes to --

MR. FLOYD: (indiscernible) understood.

Mr. Georgantas has said that the idea of putting a custodian rep aboard is somehow a cure-all. It's not. There's

plenty of little games that could be easily played to get the guy off, guy or woman off the boat in some other port. Steps off, goes to use the port-a-john, not coming back aboard, police situation, all little things that could happen. That is no cure-all. And on top of that, what is a custodian going to do to turn a ship around? That's not their role. There's a master on the ship. It's a ridiculous proposition that goes absolutely nowhere.

And Your Honor, I do believe that everything's been fully briefed in the papers here. Just to sum it up, we came to the table last week with reasonable proposals. As I said earlier on, we started off with one proposal, which was on the commercial side to have a panel of four. They said, why not just one, oh, go to one to one. We negotiated, we tried to make different proposals. We said initially, a full crew replacement, then we said top four, then we said go with an independent commercial manager. We have not seen any compromise, any movement whatsoever from the other side. They come back saying that BWEK is a competitor? Okay. Well, BWEK as the commercial manager would be going on out, and marketing the vessel, getting trades, getting cargos, and utilizing the asset to earn revenue. There's no commercial competition there. It's a fanciful argument.

All of that goes to they can't be trusted. And this whole idea that they might provide somebody who says that

they'll go to jail? They're all over in Greece and Cyprus. And these people have repeatedly ignored, violated, etc., orders from Judge Lyman and Judge Mastando. They cannot be trusted, and they don't care about United States law.

That's all I have, Your Honor.

THE COURT: Okay. Mr. Georgantas, last word? If you have --

MR. GEORGANTAS: Yeah, Your Honor, I have -- Regrettably, you know, Mr. Floyd elected to get into some mud-slinging here, and I have to make a couple of comments.

Number one, the comments about us being not to be trusted, or we're bad actors, these comments are coming from a group of people, and I'll be brief here, that basically bribed our CFO. This is in evidence, Your Honor. This is not allegations, like Mr. Floyd is making here in his desperate attempts, and hysterical attempts to paint us in a bad light. This is a finding by the arbitrator, together with evidence of a wire transfer of $100,000 from Mr. Floyd's clients, bribing our CFO in order to obtain information that would give them an edge in the arbitration, with promises of additional compensation if things both went well. These are the people that Justice Bell and the arbitrator, having seen witnesses, documents in a full arbitration, determined they were immoral and corrupt. Those are his words, not mine. So what you're hearing today, please consider the source of, you know, who's

talking here.

With respect to having the custodian on board, I would not dismiss that so easily in terms of Mr. Floyd's what could he do. A custodian would be on board, it would be a representative of the U.S. Marshal, from a Federal Court of the United States, and I cannot even begin to think that anything bad would happen to such a custodian. There is no history of this vessel, or the other two vessels that would indicate that, not complying with orders.

And in fact, all courts that issued orders with these three vessels all have been complying with. And in particular, the other vessel that is also in your division, the (indiscernible) at some point had to move from Point Comfort to Corpus Christi in order to make the supplying of the vessel easier, and she had to go to port. In order to do that, we had to get a court order, and in order for the vessel to safely navigate from Point Comfort to Corpus Christi with the custodian on board, she had to temporarily leave the U.S. jurisdictional waters. She had to go outside the jurisdiction. She did, she went to Corpus Christi, and per the court order, went back out to the anchorage, as ordered to do, where she remained.

So I would ask the Court to completely discard all the hysterical allegations coming from Mr. Floyd, that are not based in fact or any reality of what's going on here, in their

attempts to do some sort of interim dispossession, hoping against hope that they might prevail.

One last comment (indiscernible)

MR. FLOYD: Your Honor, not to interrupt, but I will ask that I have a chance to respond to that. (indiscernible)

THE COURT: Just a second.

MR. GEORGANTAS: One last item, Your Honor. He may mention again about their investment, and the bankruptcy, and the $53 million. There were other vessels involved in this fleet. He makes it sound like his client did not receive any value. What they've done here, in big picture, is they've taken the bankruptcy banner that has nothing to do with what we call the gas vessels, and they tried to involve the entire fleet, whereas the bankruptcy involved other vessels that were tankers, and they got value for that. In fact, they already got two vessels worth of value earlier on, and now they're taking the broad brush out and trying to suggest that they paid all this money, or traded for equity, and they didn't get value, and as such confusing other vessels with the gas vessels that are at issue right now.

THE COURT: Okay.

MR. GEORGANTAS: Thank you, Your Honor.

THE COURT: All right. And Mr. Floyd, I'm not going to let you respond, because we'll be here all afternoon. But we're going to -- I'm not going to make a decision for --

MR. FLOYD: (indiscernible) false statement that he made, Your Honor (indiscernible)

THE COURT: You can file something for the record. Put it on the record, to clear the record up if you need to.

MR. FLOYD: I'll do so, Your Honor.

THE COURT: You can do a statement for record. But I'm going to keep control of my proceeding, and keep moving forward.

MR. FLOYD: (indiscernible)

THE COURT: Before I turn it over to Mr. Hart, limited to my question, Mr. Floyd, and I'll ask Mr. Georgantas the same thing, you can't speak for the Second Circuit, the Bankruptcy Judge in the Southern District of New York, or the District Judge. But if you were going to anticipate when we would hear something in the form of a ruling that might provide the Court -- And I know there have been some rulings, and I know there have been some orders, okay, but I'm talking about something dispositive. When would you anticipate there might be an order coming? Just as a practitioner.

MR. FLOYD: Your Honor, you're talking about an underlying ruling (indiscernible)

THE COURT: I know there are a lot of issues, there are a lot of issues out there. But just to give me an idea, if you think that this is something that will come out this summer, or if it could be 18 months or 12 months before this

matter gets cleaned up --

MR. FLOYD: (indiscernible) I think that there -- The only projection that I can make there, Your Honor, is that I believe last week, there was another sanctions motion filed the week before the Bankruptcy Court regarding appearances being made around the world on behalf of parties that (indiscernible)

THE COURT: Okay. All right. So you're just basically -- You're not certain. There's not, necessarily, something that's imminent.

Mr. Georgantas, do you just generally agree with that? Because I really would be -- I'd be remiss if I made --

MR. GEORGANTAS: (indiscernible)

THE COURT: I'd just be, I'd be making a mistake if I come out with this decision -- Somebody's going to be unhappy with the decision that I make, and if I make a decision, and then a week later we get some guidance, you know, from one of these courts, that was imminent, then I may have been premature. But right now, I'm not inclined to wait.

Mr. Georgantas, you may be heard on that.

MR. GEORGANTAS: Your Honor, I would like -- I would like to answer. Thank you.

First of all, no, no -- The references to sanctions against the lawyer, these are just bully tactics from the Plaintiffs, trying to scare lawyers off, not to represent their clients. But that's all I'm going to say on that.

But in response to your question about an order, as far as I'm concerned, all the orders from the Bankruptcy Court or the District Court in New York that pertain to this case have been issued. And (indiscernible)

THE COURT: I'm familiar with your position. All right, that's all I need to hear. You're --

MR. GEORGANTAS: -- but I do -- Here is my comment, though. They cannot point to a single order, award, or document, other than their invalid documents that they prepared by themselves, without authority, from Eletron Gas, the owner of the Kithnos SME, that shows they have any authority to act on behalf of Eletron Gas, Kithnos SME or the vessel. Not one.

THE COURT: All right.

MR. GEORGANTAS: The only statement that's correct is in their complaint. I'll conclude with this, and I ask you to look at it, Your Honor --

MR. FLOYD: Your Honor, this is all going to the merits.

THE COURT: Understood. Understood.

MR. GEORGANTAS: (indiscernible) subject, one last comment, Your Honor. Please read their complaint. That was the only verified document that they have filed. And in that complaint, because it was verified, they have admitted that all they control is the common shares of Eletron. It's in their complaint. And they had to say that. That is correct. But

those are not the controlling shares, and (indiscernible)

THE COURT: Understood. Understood. Understood.

MR. GEORGANTAS: (indiscernible) thank you, Your Honor.

THE COURT: Mr. Georgantas, I'm cutting you off. There's a lot more to it than that. I understand, there's a lot more to it than that.

MR. GEORGANTAS: (indiscernible) I agree.

THE COURT: All right. Mr. Hart, anything, before I tell the lawyers what I'm going to direct them to do? I think you're on mute, or --

MR. HART: Sorry. Your Honor, I would just like to comment that I'm very glad to be in a case where all the other parties are agreeing that my client should be paid. Otherwise, we're neutral on these other points, Your Honor.

THE COURT: Okay. And I don't want to put you in a position of having to get sideways with one of the parties, and I'm not asking you to choose which is your preferred plan. But I'm about to order the lawyers to present orders, their proposed orders on the release of the vessel. Those orders, I'm requiring that they confer with you with regard to how your client will be paid. And so important to me is whether or not their proposed order, with regard to your client being paid, is satisfactory. I'm not asking you to pick which one is more favorable for you, but if the proposed method in these orders

that they're both going to submit, if that's agreeable to your client, that's all I really want to know. If it's not agreeable, you can file something, saying why. If it is, the lawyers will just say in their order, this is agreeable to OCM, having conferred with the other side.

Generally, these are my marching orders from the lawyers. I wish you could have come up with an agreement amongst yourselves, but that just doesn't happen. And it may not ever happen in a case like this. So the vessel hasn't been released yet. I haven't decided that I'm going to release the vessel, but I really would like to release the vessel. So what I'm ordering both of you all to do, Mr. Floyd on behalf of your clients, and Mr. Georgantas, on behalf of your clients, I'm directing that you file proposed orders to release the vessel. I know you kind of have one, Mr. Floyd, attached to your motion, but that's not really -- it doesn't provide me with enough information.

And just so you know, I'm not going to just sign off on a proposed order like I'm granting a continuance. I'm going to do my own order. But I would like you to prepare the order as though you were sitting in my position, answering the questions that we have addressed, about what is going to happen with the crew, what the escrow account is, and whatever your proposed plan is. And I would ask you to do your best to moderate your proposed order. Because if your order -- and if

your order is on the extreme side, I might just pick the order on the other side. So I would ask you to come to the middle, and give some ground in your proposed order, understanding that you really might like me to take a different action. But if you want any chance of your order being approved, you know, try to moderate your request in something that me, sitting as someone trying to be impartial, might be willing to sign off on.

I'm not going to give you a lot of further instructions. I'm just going to leave it to you to present these proposed orders. Present a nice, clean proposed order. You can submit a brief if you want to with it about -- filling in some details, you know, because the order you probably don't want congested with explanations about it. You can put that in a brief. But have a real nice, clean order for me, because the truth of the matter is that I'm going to use some of the language on the order, assuming I do release the vessel, whosever order I choose to be a guide or framework for releasing the vessel.

And I was somewhat jesting about someone being thrown in jail, but to the extent that there is someone who is willing to be responsible for the vessel, and have to come to the Court and answer it, you know, that could be in a proposed order, and you're invited to submit a statement or an affidavit on someone who's willing to submit to the jurisdiction of the Court. I

don't even know if that's necessary. But present your best proposed order that you think I might be inclined to grant.

And how much time would you like to present your proposed order, Mr. Georgantas? I'm only starting with you because I've been starting with Mr. Floyd.

MR. GEORGANTAS: Thank you, Your Honor. We have some responses coming your way in the next day or two, so that's going to be quick. And obviously, we would like for you to at least have those for, you know, further consideration, as they relate to the issues, particularly the motion to release.

Could we ask maybe to have something proposed to you by next Friday?

THE COURT: I think that's fair. That's pretty quick. That's going to have some associates working on the weekends, but it's not too long.

MR. GEORGANTAS: Okay. Okay (indiscernible)

THE COURT: I think a week -- I think a week is fine, but I think we need to get the vessel back to work sooner than later.

Does a week work for you, Mr. Floyd?

MR. FLOYD: That it does, Your Honor.

THE COURT: Okay. All right. And so you can file your proposed orders --

Mr. Georgantas --

MR. GEORGANTAS: (indiscernible) next Friday

(indiscernible)

THE COURT: A week from Friday. A week from Friday.

.MR. IVANOV: Yeah, thanks. That's what I meant. Sorry, Your Honor.

THE COURT: Yes, understood. And then, Mr. Georgantas --

MR. FLOYD: (indiscernible) a week from next Friday, next Friday being May 2nd, Your Honor?

THE COURT: I think I'm thinking a week from tomorrow.

MR. FLOYD: A week from tomorrow? Okay, that sounds correct, Your Honor.

MR. GEORGANTAS: (indiscernible) that's correct.

THE COURT: Okay. A week from tomorrow. And Mr. Georgantas, I also recognize that you have a response that is going to be filed to this motion to release the vessel, and I'll be getting some additional briefing on that. I also note that there's currently, technically not a motion -- there's a motion to vacate the arrest. There's technically not a motion to release the vessel under conditions of release filed by your clients. If I remember this docket correctly, Mr. Floyd's clients have a motion to release the vessel to them. Mr. Georgantas, your clients currently do not have a motion to release the vessel to you all. I'm directing you to file this motion, so you don't necessarily have to file a motion to

release the vessel. I will consider your proposed order that you're submitting, essentially, a motion to release the vessel.

And I haven't made any decisions on this. I'm really going to look at what you file, and address all of the things that I have to in making a decision. And I look forward to getting your orders.

And does anybody --

MR. GEORGANTAS: Thank you, Your Honor. If I may explain, the reason you didn't get a motion to release from us is because we filed a motion to vacate, which is basically (indiscernible)

THE COURT: And I'm not I'm not criticizing you. But I was just thinking procedurally, I'm ordering you to file a proposed order for relief that you have not sought. But I'm just doing it that way because I think it's the most efficient way, than making you file a motion, and getting everybody back and forth with their responses. If you feel that there's a better procedural way to do it, you may file an appropriate motion. I don't think that there is. I think my idea is a good one. Get your proposed orders, and let me make a decision.

MR. GEORGANTAS: (indiscernible) we're going to file a motion to release.

THE COURT: Okay. That's fine.

MR. GEORGANTAS: (indiscernible)

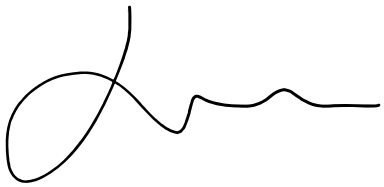
THE COURT: And both sides, just so you know, both sides can -- I don't want your orders, again, congested with arguments and rationale and case law. File me a nice, neat, clean order, and then you can submit a brief along with it on why, filling in some of the gaps, and we'll make a decision. Hopefully, I'll get that decision entered relatively quickly.

And just so you all know, that's it for today. If anybody has anything further for today, speak now, or forever hold your peace. Hearing nothing from the lawyers, thank you for your appearances. And you all may not believe this, but I find this case very interesting, and I'm glad that I have had an opportunity to hear from both sides. We'll see you next time.

(Hearing adjourned at 3:18 p.m.)

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

I, Lindsay Peacock, court-approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.



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