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**VIA CM/ECF**

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

Re: *In re Eletson Holdings, Inc., et al.*, Case No. 23-10322 (JPM)  
Response to Reorganized Debtors' May 22, 2025 Letter

Dear Judge Mastando:

We represent Royston, Rayzor, Vickery & Williams, LLP ("RRVW") and Jackson Walker, LLP ("JW") in the above-captioned chapter 11 cases. We write to correct two material misstatements and one significant omission in the letter (the "May 22 Letter") [ECF No. 1663] from Eletson Holdings, Inc. ("Reorganized Holdings") to Your Honor dated May 22, 2025 regarding the vessel arrest proceedings pending in the Southern District of Texas with respect to the vessel Kithira (the "Kithira Arrest Proceeding") and the vessel Kithnos (the "Kithnos Arrest Proceeding" and together with the Kithira Arrest Proceeding, the "Arrest Proceedings"), and to advise the Court of certain developments in connection with the arbitration confirmation proceeding pending before Judge Liman in the District Court for this District (the "Arbitration Confirmation Proceeding").

The May 22 Letter misstates at least one material point regarding the Arrest Proceedings and omits important details regarding the orders recently entered therein:

First, the May 22 Letter incorrectly refers to certain filings made by RRVW and JW on behalf of their clients as being made by "Defendants" in the Arrest Proceedings. That is incorrect. RRVW and JW have appeared as legal counsel in the Arrest Proceedings solely for two vessel claimants, Kithira Gas Shipping Company ("Kithira") and Kithnos Special Maritime Enterprise ("Kithnos" and together with Kithira, the "Vessel Claimants"). The Vessel Claimants have made restricted appearances in the Arrest Proceedings pursuant to Supplemental Admiralty Rule E(8), which permits a vessel's "claimant" (often an entity with an ownership or charterer interest in the vessel) to appear and defend against an alleged admiralty and maritime claim with respect to which *in rem* process was issued. A Rule E(8) restricted appearance may be expressly restricted to the defense of such claim, in which event the Rule E(8) restricted appearance is not a general appearance or an appearance for the purposes of any other claim with respect to which such process is not available or has not been served. RRVW and JW have not appeared or otherwise acted on behalf of any "defendant" in the Arrest Proceedings; they have only made Rule E(8) restricted appearances on behalf of the Vessel Claimants.



Second, the May 22 Letter fails to mention that the motions to vacate arrest in the Arrest Proceedings were each denied “WITHOUT PREJUDICE” (emphasis in original orders) by orders entered May 5, 2025 in the Kithira Arrest Proceeding and May 21, 2025 in the Kithnos Arrest Proceeding. *See* Exhibits C and D to ECF No. 1663. The court in the Arrest Proceedings noted:

[T]he Court recognizes that there are open questions about the ownership of the preferred shares of Eletson Gas that may impact the lawfulness of the arrest. Since the Court is not in the best position to resolve these questions, it will defer to Judge Liman’s ruling on the confirmation or vacatur of the JAMS arbitration award.

*Id.* Contrary to the repeated suggestions by Reorganized Holdings that the issue of control of Eletson Gas has somehow been conclusively resolved in its favor, the orders in the Arrest Proceedings make clear that this issue remains unresolved.

Putting a finer point on that issue, the Court should be aware that on May 11, 2025, RRVW and JW received subpoenas issued by Levona Holdings, Ltd. in connection with the arbitration confirmation proceedings pending before Judge Liman in the District Court for this district, *Eletson Holdings Inc., et al., v. Levona Holdings, Ltd.*, Civ. No. 23-cv-07331.

This Court certainly needs no introduction to the arbitration confirmation proceedings at this juncture, but two points bear mentioning in connection with the subpoenas. First, RRVW and JW have been strangers to the Arbitration Confirmation Proceeding until receiving the subpoenas, just as they were strangers to Reorganized Holdings’ chapter 11 case until being named in a sanctions motion. Second, and more importantly, the fact that Levona is seeking dozens of categories and subcategories of documents from RRVW and JW pertaining to, among other things, the ownership and control of Eletson Gas, rather poignantly underscores the fact that a dispute remains very much ongoing as to who controls Eletson Gas and, in turn, who controls the Vessel Claimants (and others).

These recent developments only punctuate the fact that control of Eletson Gas and its subsidiaries remains very much in dispute in two federal district courts and that there has never been a clear and unambiguous order that RRVW or JW ever could have violated merely by representing their clients in the Arrest Proceedings.

Respectfully Submitted,



Andrew Behlmann