



Driving progress
through partnership

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June 11, 2025

Via ECF

Honorable John P. Mastando
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.*, Bankr. S.D.N.Y. 1:23-bk-10322 (JPM)

Dear Judge Mastando:

As ordered by this Court, we write on behalf of Reed Smith LLP (“Reed Smith”) in response to the letter filed by counsel for Reorganized Eletson Holdings, Inc. (“Reorganized Holdings”) on June 9 concerning Reed Smith’s continued participation in this proceeding (Dkt. 1688). Reorganized Holdings’ principal contention is that, as a result of a decision issued on June 6 by the Court of First Instance in Piraeus Greece (the “Greek Court”), Reed Smith’s client no longer exists, and accordingly Reed Smith no longer represents any entity entitled to be heard in this proceeding.

As a preliminary matter, we note that were the Court to agree with Reorganized Holdings that Reed Smith no longer has a client in this case, then there is no representation to be “disqualified” from, and Reed Smith should simply be permitted to withdraw from the case (other than as needed to defend against endless sanctions motions against it). Indeed, had it not been for Reorganized Holdings’ opposition (Dkt. 1566) to Reed Smith’s March 18, 2025 Motion to Withdraw (Dkt. 1543), Reed Smith would no longer be representing anyone – other than itself – in this matter. However, unless and until this Court permits Reed Smith to withdraw, we will continue to represent the entity we believe to be our client. That client—which has generally been referred to as “Provisional Eletson Holdings, Inc.”—is the entity that (we are advised by Greek counsel) is *and continues to be* recognized under Greek law until this Court’s Confirmation Order has been recognized and given effect by a court in Greece.

Until last week’s decision of the Greek Court, which appears to be a draft and of which this Court does not appear to have a certified translation of, Provisional Holdings was managed by a board of directors that had been provisionally appointed by that same Greek Court in November 2024. Greek counsel has advised that the decision to dismiss the petition to appoint the provisional board is not determinative of any issue pending before the three-judge court in Athens, including whether or not the Confirmation Order is or should be recognized. Reorganized Holdings’ application for recognition of the Confirmation Order remains pending before that court in Athens. And it is in *that* same recognition proceeding where the Greek Court specifically declined to recognize Adam Spears as Reorganized Holdings’ representative in Greece (Dkt. 1410, Ex. A ¶¶ 10-11 & Ex. A).

Reed Smith fully understands, and has advised Greek counsel, that this Court has already held that the Confirmation Order does not require Greek recognition to become effective. Respectfully, we believe



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that ruling has been appealed. Nevertheless, as stated above, should the Court conclude that there is no client here for Reed Smith to represent, we will withdraw as originally requested in our prior motion.

With respect to Reorganized Holdings' assertions about service on unrepresented parties or non-parties, Reed Smith takes no position other than to note that, to the extent that Judge Liman's order granting an anti-suit injunction relates to who may or may not be bound by the injunction, it does not purport to resolve the issue of whether or how entities or individuals must be properly served and whether the Court even has jurisdiction over those entities/individuals.

On the "merits" of Reorganized Holdings' motion for sanctions against Reed Smith, Reorganized Holdings has also sought to disqualify Reed Smith from its years long and ongoing representation of Eletson Gas LLC ("Gas") and its subsidiary (*see e.g.*, Dkt. 1607 ¶¶ 31-32, 35, 39, 47 (requesting the Court to compel Reed Smith to "cease . . . all its purported representations of . . . Eletson Gas, and GasCo")). For the reasons stated in Reed Smith's opposition to Reorganized Holdings sanctions motion (Dkt. 1607) and its supplemental letter (Dkt. 1661), Reorganized Holdings does not control Gas through Holdings' common interests in the company, and neither does Levona Holdings Ltd. ("Levona")—Reorganized Holdings' affiliated alter-ego. Reorganized Holdings has no answer to the dispositive Second Circuit case law previously cited supporting Reed Smith's position.

There is one issue on which we feel it important for Your Honor to consider from Judge Liman's decision concerning the arbitration confirmation proceedings in Greece and the U.K. Judge Liman found that "it is clear that functional day-to-day control over Gas is being exercised by [the Preferred Nominees] or their principals" (D. Ct. Dkt. 413 at 8); "the Gas entity that has appeared in Greece is substantially similar to and/or functionally controlled by the [Preferred Nominees] (*id.* at 17); "Gas ... is controlled by [the Preferred Nominees] (*id.* at 19), and "Laskarina Karastamati[] and Vassilis Kertsikoff . . . serve as the officers of Gas, the Secretary and Chief Executive Officer respectively" (*id.* at 18). Reorganized Holdings failed to point Your Honor to these statements when it submitted its letter advising Your Honor of the decision granting an anti-suit injunction (*see* Dkt. 1686). If it was sufficient for Judge Liman to grant the anti-suit injunction based on these findings, then it is sufficient for Your Honor to deny any and all relief requested by Reorganized Holdings as to Gas, including its arguments of purported control by either Reorganized Holdings or Levona. We will address this separately.

Finally, Reed Smith points Your Honor to a recent decision issued by Judge Liman declining Levona's request to "suspend" the Final Award (Ex. A). Part of that arbitral award includes the Status Quo Injunction entered by Justice Belen and abided by by all parties, until recently Murchinson. This order too compels denial of any relief in favor of Reorganized Holdings concerning Gas.

Respectfully submitted,



Louis M. Solomon

cc. Counsel of Record

EXHIBIT A

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
ELETSON HOLDINGS INC. and ELETSON
CORPORATION,

Cross-Respondents,

-v-

LEVONA HOLDINGS LTD.,

Cross-Petitioner,

and

APARGO LIMITED, FENTALON
LIMITED, and DESIMUSCO TRADING
LIMITED,

Intervenors.
-----X

23-cv-7331 (LJL)

ORDER


LEWIS J. LIMAN, United States District Judge:

Cross-Petitioner Levona requests that the Court issue an order “memorializing” that the Award has been suspended as contemplated in New York Convention Article V(1)(e). Dkt. No. 374. It invokes Section 12 of the Federal Arbitration Act (“FAA”), 9 U.S.C. § 12, and the All Writs Act, 28 U.S.C. § 1651. *Id.* Section 12 of the FAA addresses motions to stay proceedings to enforce an award. It is not applicable here. The All Writs Act, 28 U.S.C. § 1651, authorizes a federal court “to issue such commands . . . as may be necessary or appropriate to effectuate and prevent the frustration of orders it has previously issued in its exercise of jurisdiction otherwise obtained.” *Pennsylvania Bureau of Correction v. U.S. Marshals Serv.*, 474 U.S. 34, 40 (1985) (quoting *United States v. New York Telephone Co.*, 434 U.S. 159, 172 (1977)). Intervenors represent that they are in the process of dismissing the Greek proceeding without prejudice and

that the UK proceeding also will be dismissed. Dkt. No. 419. The Court's preliminary injunction order of June 2, 2025, requires Intervenor and their privies, including Eletson Gas LLC, to inform the Court of any future foreign proceedings seeking to confirm and/or enforce the Award. Dkt. No. 407. Levona has not at this time made a sufficient showing that the Court need take any action other than those it has taken to preserve its jurisdiction. The request for an order formally suspending the Award under the New York Convention, pursuant to the All Writs Act, is denied without prejudice.

SO ORDERED.

Dated: June 6, 2025
New York, New York



LEWIS J. LIMAN
United States District Judge