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**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	Chapter 11
	:	
ELETSON HOLDINGS INC., ¹	:	Case No. 23-10322 (JPM)
	:	
	:	
Debtor.	:	
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**ELETSON HOLDINGS INC.’S AND LEVONA HOLDINGS LTD.’S REPLY
 TO THE CYPRIOT ENTITIES’ OPPOSITION TO THE MOTION
 FOR AN ORDER (I) IMPOSING AND INCREASING SANCTIONS ON THE
 VIOLATING PARTIES AND (II) ENJOINING THE VIOLATING PARTIES FROM
EXERCISING CONTROL OVER ELETSON GAS**

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 Herbert Smith Freehills Kramer (US) LLP, 1177 Avenue of the Americas, New York, New York 10036.



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Holdings and Levona jointly submit this reply (the “Reply”) in support of their motion for an order imposing and increasing sanctions and enjoining the Violating Parties from exercising control over Eletson Gas [Docket No. 1809] (the “Motion”).¹

In support of this Reply, Holdings and Levona submit the Declaration of Jared Borriello, filed contemporaneously herewith (the “Borriello Declaration”), and respectfully state:

PRELIMINARY STATEMENT

1. The Cypriot Entities and individual Violating Parties continue to flout this Court’s authority. Despite the Court’s Contempt Order requiring them to rescind the unlawful corporate acts by which they seek to control Eletson Gas, the Cypriot Entities have produced no evidence of their purported compliance.

2. The Cypriot Entities have done nothing, except offer the same evasive and recycled arguments this Court has already rejected. The Violating Parties need to cede control of Eletson Gas and be sanctioned until they do so. The Motion should be granted.

I. The Cypriot Entities Fail To Meet Their Burden Of Showing Compliance

3. As a threshold matter, the purported changes to Eletson Gas’s share register and board of directors (the “Board”), as reflected in the filings made in the Marshall Islands (*see* Borriello Decl., Ex. A; *see also id.*, Ex. B at 29-32), were not authorized. Demonstrating compliance with this Court’s Contempt Order should have been simple. The Cypriot Entities need only have provided Holdings and this Court with certified copies in the same form of Marshall Island filings correcting the share register and Board. They have failed to do so.

4. The Cypriot Entities’ suggestion (Docket No. 1850 (the “Objection”) ¶¶ 12-14) that Holdings and Levona failed to establish contempt and “flip the burden of proof” ignores the reality

¹ Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.

in which this case exists. The Court has already entered the Contempt Order. *See* Contempt Order at 26 (“Therefore, the evidence is ‘clear and convincing’ that the Cypriot Nominees are not in compliance with the Stay Relief Order.”). The Cypriot Entities, as the parties found in contempt, bear the burden of demonstrating compliance with this Court’s Contempt Order to purge that contempt. *See In re Various Grand Jury Subpoenas*, 2017 WL 10811682, at *2 (S.D.N.Y. May 25, 2017) (citing *S.E.C. v. Platinum Inv. Corp.*, 2004 WL 1886401, at *3 (S.D.N.Y. Aug. 24, 2004)) (quoting *Huber v. Marine Midland Bank*, 51 F.3d 5, 10 (2d Cir. 1995)) (“In order to purge a civil contempt citation, a contemnor must establish ‘clearly, plainly, and unmistakably’ that compliance with the underlying order has either been accomplished or is impossible.”); *In re Marc Rich & Co.*, 736 F.2d 864, 866 (2d Cir. 1984) (“The burden of proving plainly and unmistakably that compliance is impossible rests with the contemnor.”) (internal quotation marks and citations omitted).

5. Despite this, the Cypriot Entities have failed to submit corrective Marhsall Island filings or any actual evidence demonstrating they have rescinded their purported changes to the Eletson Gas share register and Board in compliance with the Contempt Order. They show proof of nothing.

6. As the Court already found, the Cypriot Entities’ February 26, 2024 corporate actions—purporting to, among other things, record the transfer of the Preferred Shares, appoint new directors, ratify the share register and Board, and authorize enforcement—violated the Stay Relief Order. *See* Contempt Order at 26. The Contempt Order requires them to “rescind their changes” (Contempt Order ¶ 2)—not to *request* that the changes be rescinded, which they now say is sufficient. The Cypriot Entities’ claim (Objection ¶ 15) that they “rescinded” those “requested changes” by sending letters dated August 8, 2025 to former Eletson Gas officers Vassilis

Kertsikoff and Laskarina Karastamati (the “Notices”). See Shaftel Decl., Exs. B-C. But telling individuals who are prohibited from exercising control over Eletson Gas per multiple Court orders to disregard instructions from a year ago is not evidence of compliance.

7. Moreover, the Cypriot Entities’ own filings confirm that the purported original February 2024 change to the share register was purportedly effectuated through *a demand* to Eletson Gas and the imposter directors (*see also* Borriello Decl., Ex. B at 34 (Demand for Registration)), while the change to the Board was similarly effectuated through an *instruction* (Contempt Order at 8; *see also* Borriello Decl., Ex. B at 33 (Notice of Removal)—not a mere request. The alleged “recission” of these changes in August 2025, by contrast, was purportedly transmitted as a *request* rather than a demand or instruction. See Shaftel Decl., Ex. B, C. In failing even to follow the procedural formality they themselves invoked to engineer the original violating purported changes to the Board and share register, the Cypriot Entities only underscore the hollowness of their claim of compliance with the Contempt Order.²

8. After the Cypriot Entities filed their Objection, Holdings asked them to provide documents evidencing when the purported Notices were prepared, executed, and transmitted to Eletson Gas, as well as any related filings or communications with the Office Registry of the Republic of the Marshall Islands or the Trust Company of the Marshall Islands. See Borriello Decl., Ex. C at 1. The Cypriot Entities produced no documents in response, questioned the relevance of the request, and sought an adjournment so the parties could conduct “two-way discovery.” *Id.*, Ex. C at 2.

² The Cypriot Entities claim to have sent the Notices in the same form as the February 2024 directives to change the share register and Board. See Objection ¶ 18 (“[I]t makes perfect sense that the appropriate, sensible method to void the prior instructions regarding board nominees and the stock registry is to transmit the repeal ***in the same form***, to the same recipient, as the prior instructions were conveyed. That is exactly what the Cypriot Nominees did.”) (emphasis added). This claim is false.

9. Even if this Court were to provide any weight to the Notices (it should not),³ the rescission directed by the Contempt Order requires more than sending a letter—it requires *actually* “rescinding” the purported changes to restore the share register and Board of Eletson Gas to their prior state. Contempt Order ¶ 2. The record is bereft of any such evidence. The Cypriot Entities’ attempt to circumvent that requirement by citing self-serving communications with their own agents is just another example of these parties’ disregard for this Court and its orders. As discussed below, these agents (Mr. Kertsikoff and Ms. Karastamati) were also covered by the Contempt Order, and similarly, took no steps to restore the share register and the Board.

10. Finally, the Notices are attached to the declaration of the Cypriot Entities’ counsel, rather than declarations of the people who purportedly signed them. *See* Shaftel Decl. Exs. B-C. Mr. Shaftel has shown no direct or personal knowledge of whether the Notices were even sent, much less to whom they might have been sent. Accordingly, the Notices are inadmissible for the purpose of establishing if or when the purported requests were made. *See, e.g., Carnrite v. Granada Hosp. Group, Inc.*, 175 F.R.D. 439, 448-49 (W.D.N.Y. 1997) (“An attorney’s affidavit not based on personal knowledge is an impermissible substitute for the personal knowledge of a party.”) (citing *United States v. Bosurgi*, 530 F.2d 1105, 1111 (2d Cir. 1976)); *Parks*, 2008 WL 3833802, *1 (same); *Pray v. Long Island Bone & Joint, LLP*, No. 14-cv-5386 (SJF), 2016 WL 9455557, *4 (E.D.N.Y. Aug. 11, 2016) (same).

³ *See, e.g., Parks v. Lebhar-Friedman, Inc.*, No. 04-7133 (DCP) (KNF), 2008 WL 3833802, at *1 (S.D.N.Y. Aug. 11, 2008) (in the summary judgment context, finding that “[a] declaration should be stricken when it is riddled with inadmissible hearsay, conclusory statements and arguments, and information clearly not made on the affiant’s personal knowledge”). The Cypriot Nominees should not be given any benefit of the doubt here, for among other reasons, that Judge Liman has already found in another proceeding, “probable cause that a fraud was committed” by the very same parties that control the Cypriot Nominees, “including by withholding . . . critical evidence on a pivotal issue and by presenting perjured testimony. *See Eletson Holdings Inc. v. Levona Holdings Ltd.*, Case No. 23-cv-07331-LJL (the “Dist. Ct.”), Dist. Ct. Docket No. 606 at 3-4 (citing Dist. Ct. Docket No. 342 at 3 and Dist. Ct. Docket No. 413 at 4).

II. Holdings and Levona Do Not Seek New Injunctive Relief

11. The Cypriot Entities argue that Holdings and Levona “seek a newly framed injunction prohibiting the Cypriot [Entities] (plus Kertsikoff and Karastamati) from exercising control over Gas.” Objection ¶ 26. This is incorrect. Holdings and Levona seek enforcement of the Court’s prior orders.

12. “A court has the inherent power to hold a party in civil contempt in order ‘to enforce compliance with an order of the court to compensate for losses or damage.’” *BOC Aviation Ltd. v. Air Bridge Cargo Airlines, LLC*, Case No. 22-cv-2070 (LJL), 2022 WL 17581775, *7 (S.D.N.Y. Dec. 12, 2022); *In re Chief Exec. Officers Clubs, Inc.*, 359 B.R. 527, 533 (Bankr. S.D.N.Y. 2007). Further, “[u]nder section 105(a) of the Bankruptcy Code, the Court has broad authority to issue contempt orders and award sanctions to enforce compliance with its orders.” *In re Ditech Holding Corp.*, 2021 WL 3716398, *11 (Bankr. S.D.N.Y. Aug. 20, 2021) (citing *In re Manchanda*, 2016 3034693, *4 (Bankr. S.D.N.Y. May 19, 2016)).

13. Whether under section 105(a) or this Court’s inherent authority, a finding of contempt and an award of sanctions requires “(1) the order the contemnor failed to comply with is clear and unambiguous, (2) proof of noncompliance is clear and convincing, and (3) the contemnor has not diligently attempted to comply in a reasonable manner.” *In re Markus*, 78 F.4th 554, 566 (2d Cir. 2023) (quoting *King v. Allied Vision, Ltd.*, 65 F.3d 1051, 1058 (2d Cir. 1995)). Holdings and Levona have met their burden to support a finding of contempt and an award of sanctions against Mr. Kertsikoff and Ms. Karastamati, as well as an increase of sanctions against the Cypriot Entities.

14. Pursuant to the Confirmation Order and Section 5.2(c) of the Plan, Holdings controls the common shares of Eletson Gas. See July 2, 2025 Hr’g Tr. 66:4-5 (the Confirmation Order is clear and unambiguous). Moreover, the *Order in Support of Confirmation and*

Consummation of the Court-Approved Plan of Reorganization, entered on January 29, 2025 [Docket No. 1402] (the “Consummation Order”), directed the Debtors and their Related Parties (e.g., the Cypriot Entities, Mr. Kertsikoff and Ms. Karastamati) to comply with the Confirmation Order and the Plan. Levona controls the preferred shares of Eletson Gas (Dist. Ct. Docket No. 83), and the Stay Relief Order (which this Court already found applied to all parties) stayed the enforcement of any Arbitration award. As laid out in the Motion, both the District Court and this Court have confirmed that the Status Quo Injunction from the Arbitration is no longer in effect. As a result, Holdings and Levona collectively have the right to appoint the directors of Eletson Gas and can make decisions on its management.

15. Since at least as early as the Effective Date, both Mr. Kertsikoff and Ms. Karastamati have purported to act—without authority and in violation of this Court’s orders—on behalf of Eletson Gas. *See* Ortiz Decl., Ex. E (Aug. 8 Letter) at 2. *See* May 30, 2025 Dist. Ct. Hr’g Tr. 43:2-44:18 (Shaftel: “The management of the company resides with the two executive officers – yes – Vasilis [Kertsikoff] and Laskarina [Karastamati], who would’ve been the executive officers since 2013... And they are operating as such consistent with Justice Belen’s status quo injunction[.]”); Docket No. 1645 ¶ 29 (Reed Smith LLP’s Objection to Holdings’ Motion to Compel and for Sanctions) (“[T]he Status Quo Injunction issued by Justice Belen in the Arbitration—maintaining day-to-day management of Gas by Laskarina Karastamati and Vassilis Kertsikoff—remains effective.”); *see also* Objection ¶ 35 (“There is no explanation by Movants as to any urgency after the management of Gas, which assumed responsibilities over ten years ago, has remained in place since the arbitration was commenced over three years ago, and since the Award in favor of the Cypriot Nominees was issued over two years ago.”). The Cypriot Entities

continue to communicate with Mr. Kertsikoff and Ms. Karastamati as if they are the directors and officers of Eletson Gas, which they are not. *See* Shaftel Decl., Exs B-E.

16. The Objection wrongly suggests that Mr. Kertsikoff and Ms. Karastamati cannot be sanctioned because they are not respondents to the Contempt Order. *See* Objection ¶ 23. Mr. Kertsikoff and Ms. Karastamati, however, as related parties acting in concert with the Cypriot Entities, are bound by the Contempt Order (in addition to the Confirmation Order) and may be sanctioned accordingly. *See* Fed. R. Civ. P. 65 (Injunctions bind “(B) the parties’ officers, agents, servants, employees, and attorneys; and (C) other persons who are in active concert or participation with” parties.); *NML Cap., Ltd. v. Republic of Argentina*, 699 F.3d 246, 255 (2d Cir. 2012) (“Under Rule 65(d)(2) . . . attorneys, as well as other persons who are in active concert . . . are bound by injunctions.”); *Doctor’s Assocs., Inc. v. Stuart*, 11 F. Supp. 2d 221, 225 (D. Conn. 1998) (“[T]he corporation that Defendants control . . . can be bound by an injunction without the necessity of joining it as a party defendant.”).

17. Judge Liman has pointed out, and this Court has agreed, that these individuals and the Cypriot Entities are essentially alter egos:

[T]he court anticipates little difficulty in concluding that Gas, Laskarina Karastamati, Vassilis Kertsikoff, Vassilis Hadjieleftheriadis, Lassia Investment Company, Family Unity Trust Company, and Glafkos Trust Company are sufficiently in privity with, concert with, aiding or abetting [the Cypriot Entities] to bring them within range of this court’s contempt power.

Dist. Ct. Docket No. 413 at 21; *see* July 2, 2025 Hr’g Tr. 73:21-74:1-7.⁴

18. The non-compliance of the Cypriot Entities, Mr. Kertsikoff, and Ms. Karastamati could not be clearer. They claim to control Eletson Gas and have not been shy about stating so

⁴ The Objection even acknowledges that “the entities are associated, respectively, with one of three Greek families historically involved with Eletson-related businesses that they created . . . While [Mr. Kertsikoff and Ms. Karastamati] voluntarily have acted as so-called “representatives” for Apargo and Fentalon, respectively, for purposes of arbitration and litigation regarding ownership of the preferred Gas shares, Kertsikoff only has a

publicly, whether on their own behalf or through counsel, as set forth above. The Objection is the latest example of that proclamation. Further sanctions are warranted.

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minority interest in the parent of Apargo and Karastamati only has a minority interest in the parent of Fentalon.” Objection ¶ 8.

CONCLUSION

For the foregoing reasons, the Court should overrule the Objection and grant the Motion in its entirety.

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New York, New York

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