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

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

**THE ELETSON HOLDINGS INC. ENTITY'S, THAT THE SECOND CIRCUIT RECOGNIZES AS BEING REPRESENTED BY THE UNDERSIGNED COUNSEL IN *IN RE: ELETSON HOLDINGS, INC.*, NO. 25-176, DKT. 50.1, MEMORANDUM OF LAW IN OPPOSITION TO ELETSON HOLDINGS INC.'S APPLICATION FOR ATTORNEYS' FEES AND COSTS**

[1] The Court has ordered the following footnote to be included in this caption: "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" (Dkt. 1515 ¶ 7).

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The Eletson Holdings Inc. entity that the Second Circuit recognizes as being represented by the undersigned counsel in *In re: Eletson Holdings, Inc.,* No. 25-176, Dkt. 50.1, ("Respondent") hereby submits its opposition to *Eletson Holdings Inc.'s Application for Attorneys' Fees and Costs* (Dkt. 1729) (the "Motion"). For the reasons stated herein, this Court should deny the Motion, or in the alternative, reduce the fees as described below.

**PRELIMINARY STATEMENT**

1. Eletson Holdings, Inc. ("Reorganized Holdings" or "Movant") seeks to expand the scope of the attorneys' fees and costs conditionally awarded to it by the Court. It does so by submitting underlying billing records that reflect work far beyond the three motions underlying the fee application before this Court and that reflect work that could not conceivably be interpreted to be related to any issues concerning Respondent's compliance with the Court's decisions and orders.

2. Movant seeks the award of fees against Respondent related to (i) two motions that *did not name Respondent as a respondent*, (ii) actions that Movant would have to take in the ordinary course to properly effectuate the reorganization of Eletson Holdings, Inc., (iii) actions that were unnecessary and voluntarily undertaken by Movant; (iv) motions and/or briefs that are currently pending appeals before the District Court and the United States Court of Appeals for the Second Circuit.

3. Further, Movant's underlying support submitted for attorneys' fees and costs for (i) Togut, Segel & Segal LLP ("Togut") and (ii) Pierre, Tweh & Associates ("PTA Firm") and D.K. Avgitidis & Associates ("Avgitidis") are woefully insufficient for respondents on this Motion and the Court to determine whether those fees and costs are, in fact, reasonable.

4. Regardless, the Court should defer issuing an award on fees and costs until after the appeals pending before the District Court are resolved.

5. Accordingly, the Court should deny the Motion as to Respondent, or in the alternative, reduce the fees for the reasons set forth below.

## FACTUAL BACKGROUND

### A. The Consummation Order

6. On October 25, 2024, the Court issued a decision confirming the Petitioning Creditors' Chapter 11 plan of reorganization (the "Plan") (Dkt. 1212), and, on November 4, 2024, entered the Confirmation Order (Dkt. 1223).

7. On November 25, 2024, Reorganized Holdings moved for an order pursuant to Bankruptcy Rule 9020 seeking injunctive relief and sanctions (the "First Sanctions Motion") against a range of entities and individuals, including the Debtor's pre-confirmation shareholders, directors, and officers, as well as law firms representing those parties, both foreign and domestic (*see* Dkt. 1268 at 1). **Respondent was not specifically named as respondent on the First Sanctions Motion.** Indeed, the basis for the First Sanctions Motion was purportedly that each of the named entities, individuals, and law firms were in violation of the Plan and Confirmation Order for failing to file a change of Holdings' address of record ("AOR") and to "file Reorganized Holdings' new corporate documents with LISCR," the Liberian corporate registry (*id.* at 2-3).

8. Following an evidentiary hearing and post-trial briefing (as directed by this Court), on January 29, 2025, the Court issued an *Order in Support of Confirmation and Consummation of the Court-Approved Plan of Reorganization* (the "Consummation Order") (Dkt. 1402) ordering specifically identified parties (referred to as the "Ordered Parties"), **which did not include Respondent**, to, among other things, (1) "comply with the Confirmation Order

and the Plan to assist in effectuating, implementing, and consummating the terms thereof," and (2) "take all steps reasonably necessary as requested by Holding to unconditionally support the effectuation, implementation, and consummation of the Plan, including but not limited to, by no later than seven (7) days from the date of service of this Order in accordance with applicable law . . . taking all steps reasonably necessary to update or amend (a) Holdings' AOR to reflect that Adam Spears is Holdings' AOR and (b) Holdings' corporate governance documents on file with LISCR as directed by Holdings" (Dkt. 1402 at 2). The Consummation Order further provided that if the Ordered Parties did not "cause the specific acts set forth in" the Order to occur within seven days, Reorganized Holdings could move on short notice for sanctions against the Ordered Parties (*id.* at 4).

9. On February 5, 2025, Respondent and Reed Smith, as well as the majority shareholders of Eletson Holdings Inc. (the "Majority Shareholders") appealed the Consummation Order (*see* Dkt. 1411 (Respondent and Reed Smith); Dkt. 1413 (Majority Shareholders)). Although Respondent was not named as a respondent to the First Sanction Motion, nor explicitly named in the Consummation Order, Respondent filed an appeal because in the Consummation Order, the Court distinguished between "Eletson Holdings, Inc., as reorganized" and "Eletson Holdings Inc." (including the latter in the definition of "Debtor") (Dkt. 1402 at 1 n. 1; *id.* at ¶ 2 (directing "the Debtors and the Related Parties, including without limitation, the Ordered Parties," to "take all steps all steps reasonably necessary as requested by Holdings to unconditionally support the effectuation, implementation, and consummation of the Plan")).

10. Respondent and Reed Smith's appeal is docketed and pending in the District Court for the Southern District of New York. *See Eletson Holdings, Inc. et al. v. Reorganized Holdings, Inc.*, Case No. 1:25-cv-01312 (S.D.N.Y.) ("Consummation Order Appeal"). The

Majority Shareholders' appeal is docketed and pending in the District Court for the Southern District of New York. *See In re: Eletson Holdings, Inc.*, Case No. 1:25-cv-01685 (S.D.N.Y.).

**B. The AOR Sanctions Order**

11. On February 6, 2025, Reorganized Holdings again moved for sanctions against the Ordered Parties (the "Second Sanctions Motion") on the grounds that the Ordered Parties failed to cause the AOR and Holdings' corporate governance documents to be updated (*see* Dkt. 1416 ¶¶ 1- 2, 6-26). On February 20, 2025, the Court issued its decision on the Second Sanctions Motion, requiring specifically identified parties—which, again, **did not include Respondent**—to certify that they have taken certain steps to assist with implementing the Plan and Confirmation Order (2/20/2025 Hr'g Tr. at 105:10-107:12).

12. On February 27, 2025, the Court entered the *Order in Support of Confirmation and Consummation of the Court-Approved Plan of Reorganization and Imposing Sanctions on Certain Parties* (the "AOR Sanction Order") (Dkt. 1495). The February 27 Order issued sanctions of $1,000 per day against "the purported Provisional Board, Vasilis Hadjieleftheriadis, and the Former Majority Shareholders" and "the AOR" until those parties undertook certain actions relating to updating the AOR and corporate governance documents of Holdings (*id.* at ¶¶ 1-2). The February 27 Order was apparently issued after Reorganized Holdings failed to include any respondent on the Second Sanctions Motion in an *ex parte* communication with the Court (Dkt. 1509, Ex. C).

13. On March 13, 2025, the Majority Shareholders appealed the AOR Sanctions Order (Dkt. 1541). The Majority Shareholders' appeal was docketed in the District Court for the Southern District of New York. *See In re: Eletson Holdings, Inc.*, Case No. 1:25-cv-02789 (S.D.N.Y.).

**C. The Foreign Opposition Sanctions Order**

14. On February 19, 2025, Reorganized Holdings again moved for sanctions against the ***Ordered Parties*** (the "Third Sanctions Motion" and, together with the First Sanctions Motion and the Second Sanctions Motion, the "Sanctions Motions"), seeking both monetary sanctions and injunctions for "failing to withdraw their oppositions to the judicial recognition of the Confirmation Order by Liberian and Greek courts." (Dkt. 1459 ¶¶ 1- 2, 39). **Respondent was not named as a respondent on the Third Sanctions Motion** (*see id.*).

15. On March 12, 2025, this Court issued an oral ruling on the Third Sanctions Motion, finding "the following parties . . . in contempt for violating the Chapter 11 plan, the [C]onfirmation [O]rder and the January 29th order": "the former minority shareholders, the former majority shareholders, purported Eletson Holdings, the purported provisional board, and Vassilis Hadjieleftheriadis." (3/12/2025 Hr'g Tr. at 79:17-23).

16. On March 13, 2025, the Court entered the *Order in Further Support of Confirmation and Consummation of the Court-Approved Plan of Reorganization* (the "Foreign Opposition Sanctions Order" and together with the Consummation Order and the AOR Sanctions Order, the "Sanctions Orders") directing the Violating Parties (as defined in the Foreign Opposition Sanctions Order, including Respondent) "to withdraw any and all filings that oppose or undermine in any way the judicial recognition of the Confirmation Order including, without limitation, filings in the Liberian Proceedings and the Greek Proceedings set forth on Exhibit 1." (Dkt. 1537 ¶ 1).

17. On March 24, 2025, given the Due Process issues of sanctioning a party not named as a respondent to the Third Sanctions Motion, Respondent appealed the Foreign Opposition Sanctions Order (Dkt. 1558). Respondent's appeal is docketed and pending in the

District Court for the Southern District of New York. *See In re: Eletson Holdings, Inc.*, Case No. 1:25-cv-02824 (S.D.N.Y.).

18. And on March 26, 2025, the Majority Shareholders appealed the Foreign Opposition Sanctions Order (Dkt. 1563). The Majority Shareholders' appeal is docketed and pending in the District Court for the Southern District of New York. *See In re Eletson Holdings*, Case No. 1:25-cv-02897 (S.D.N.Y.).

**D. Motion for Entry of an Order Award Attorneys' Fees and Costs**

19. On April 16, 2025, Reorganized Holdings filed a *Motion for Entry of an Order Awarding Attorneys' Fees and Costs* ("Attorneys' Fees Motion") (Dkt. 1597). Reorganized Holdings sought a conditional award of fees and costs jointly and severally against the parties sanctioned in the AOR Sanctions Order (the Respondent's Board, Vasilis Hadjieleftheriadis, and the AOR of Eletson Holdings Inc.) and the parties sanctioned in the Foreign Opposition Sanctions Order (the Majority Shareholders, Elafonissos Shipping Corporation and Keros Shipping Corporation (the "Minority Shareholders"), and Respondent) (collectively, the "Sanctioned Parties"). (Dkt. 1597 at 1, 7-8). Respondent filed its opposition to the Attorneys' Fees Motion on May 6, 2025. (Dkt. 1643).

20. On July 2, 2025, the Court entered the *Order Awarding Attorneys' Fees and Costs* (the "Attorneys' Fees Order") (Dkt. 1712). The Court conditionally awarded Reorganized Holdings "its attorneys' fees and costs in connection with (a) preparing, briefing, and arguing [the Attorneys' Fees] Motion, the Consummation Motion, the AOR Sanctions Motion, and the Foreign Opposition Sanctions Motion, and (b) actions related to the Violating Parties' non-compliance with this Court's decisions and orders, including the Confirmation Order, the January 24 Decision, the Consummation Order, the February 20 Decision, the AOR Sanctions Order, the March 12 Decision, and the Foreign Opposition Sanctions Order." (Dkt. 1712 at 4).

21. Respondent filed a Notice of Appeal of the Attorneys' Fees Order on July 16, 2025 (Dkt. 1723). The appeal is docketed and pending in the District Court for the Southern District of New York. *See In re Eletson Holdings*, Case No. 1:25-cv-06164 (S.D.N.Y.).

22. On July 16, 2025, Reorganized Holdings filed this Motion (Dkt. 1729).

## ARGUMENT

### I. Movants Fees Are Unreasonable

23. The Court should deny Movant's request for fees and costs as unreasonable. It is well established that the party seeking attorneys' fees bears the burden of establishing that the attorney's hourly rate and the number of hours expended by counsel are reasonable. *Fox v. Vice*, 563 U.S. 826, 838 (2011); *Ubri v. Balsam*, 2025 U.S. Dist. LEXIS 117178, at *10 (S.D.N.Y. June 20, 2025). Here, Movant is unable to meet its burden showing that the fees and costs are reasonable as Movant (i) seeks fees and costs entirely unrelated to Respondent (including for motions and/or actions to which it was not named as a respondent or a party), and (ii) has not shown that its fees related to Respondent are reasonable. Accordingly, the Motion should be denied.

#### A. Movant Requests Fees Unrelated to Respondent's Purported "Contemptuous Conduct"

24. A court may award attorneys' fees as sanctions pursuant to its inherent power, "[b]ut only fees that are directly caused by the sanctionable conduct may be awarded." *In re Plumeri*, 2010 Bankr. LEXIS 2592, at *12 (Bankr. S.D.N.Y. March 25, 2010) (citing *In re Spectee Group*, 185 B.R. 146, *160 (Bankr. S.D.N.Y.). "Even then, the awarding court must make a determination whether the requested fees are reasonable." *Id.*

25. The purpose of sanctions for civil contempt is to coerce future compliance and to remedy any harm past noncompliance caused by the other party. *Ross v. Thomas*, 2011 U.S.

Dist. LEXIS 60444, at *33 (S.D.N.Y. June 6, 2011). As such, when awarding fees and costs, the amount awarded must have been "incurred by the aggrieved party *as a direct product of the contemptuous conduct*." *Id.* at *33-34 (emphasis added); *In re Plumeri*, 2010 Bankr. LEXIS 2592, at *13 (refusing to award sanctions for any fees incurred not directly caused by the sanctionable conduct). It follows that fees and costs *unrelated* to the contemptuous behavior are unreasonable. *See Joint Stock Co. Channel One Russ. Worldwide v. Infomir LLC*, 2020 U.S. Dist. LEXIS 86390, at *10 (S.D.N.Y. May 15, 2020).

26. In the Court's decision, attorneys' fees and costs were to be "***allocated based on the specific actions alleged for each violating party***" (Dkt. 1662, ("5/15/2025 Hr'g Tr.") at 48:12-13) (emphasis added). Respondent disputes that it has engaged in any "contemptuous conduct," notes that the Foreign Sanctions Opposition Order is currently pending on appeal in the District Court, and reserves all rights. However, even assuming Respondent's contempt is affirmed on appeal, Movant is seeking fees and costs entirely *unrelated* to "contemptuous conduct" of Respondent, including (i) fees and costs related to sanctions motions brought against other parties—not Respondent, and (ii) fees and costs related to actions Movant would have taken irrespective of Respondent's conduct.

27. Respondent should not be required to bear those costs, especially when counsel for Reorganized Holdings expressly represented that this issue could "easily be addressed in connection with the specific fee applications and allocating different fees to different parties" (5/15/2025 Hr'g Tr. at 43:5-7).

28. Any costs unrelated to Respondent or its conduct are unreasonable and should be denied.

***1. Respondent Should Not Be Ordered to Pay Fees Unrelated to It***

29. Movant has once again used the term "Violating Parties" to group together all respondents to the Motion without distinguishing between their alleged conduct or explaining why the conduct of other parties warrants an order of fees and costs against Respondent. This approach seeks to hold Respondent liable for fees and costs on a joint and several basis—for conduct which Respondent had no part and was not sanctioned. This is wholly improper, *see Barella v. Vill. of Freeport*, 56 F. Supp. 3d 169, 174-76 (E.D.N.Y. 2014) (reducing award of fees and costs to eliminate those related to an unrelated motion and entries that were excessive or duplicative), and is contrary to the Court's Order directing that fees and costs were to be "allocated based on the specific actions alleged for each violating party." (5/15/2025 Hr'g Tr. at 48:12-13).

30. Respondent was not sanctioned in the Consummation Order (Dkt. 1402) and was not even named as a party to the AOR Sanctions Order (Dkt. 1495). The fees identified by Movant for the period from November 2024 until February 2025 related to these two motions (prior to any discount applied by Togut) amounted to $797,325. (Dkt. 1730 ("Ortiz Decl.") at 7-50). As such, any fees and costs related to the Consummation Order and the AOR Sanctions Order are manifestly unreasonable and should be denied as to Respondent.

***2. Not Entitled to Fees and Costs for Actions Taken Irrespective of Respondent's Conduct***

31. Respondent should also not be required to compensate Movant for actions it had to take in the normal course. *Creative Res. Grp. of N.J., Inc. v. Creative Res. Grp., Inc.,* 212 F.R.D. 94, 104 (E.D.N.Y. 2002) (declining to award fees for costs that would have been incurred in the normal course of litigation); *Jankowski v. Centurion of Vt., LLC,* 2024 U.S. Dist. LEXIS 142814, at *26-27 (D. Vt. Aug. 12, 2024) (reducing attorneys' fees by the hours that would have

been expended in the ordinary course of litigation without the dispute); *Mosaid Techs. Inc. v. Samsung Elecs. Co.,* 224 F.R.D. 595, 598 (D.N.J. 2004) (disallowing fees on a motion to compel when "the fees would have been incurred in any event"); *Primex, Inc. v. Visiplex Techs., Inc.,* 2006 U.S. Dist. LEXIS 7275, at *8 (W.D. Wis. Feb. 24, 2006) (declining to award fees for tasks that "most likely would have been performed regardless").

32. Movant should not be entitled to fees for recognition and enforcement in Greece (Dkt. 1733 ("Orfanidou Decl.") ¶¶ 5-10) or fees for recognition and enforcement in Liberia (Dkt. 1732 ("Pierre Decl.") ¶¶ 5-12). The Plan is replete with provisions recognizing the need to comply with non-U.S. law to effectuate the reorganization of Eletson Holdings (*see, e.g.*, Dkt. 1258, §§ V.5.1, V.5.2, V.5.4 ("all . . . stock (***where permitted by applicable law***) . . . shall be cancelled"); V.5.9, IX.9.1 ("the Debtors or Plan Proponents, as applicable, shall have obtained ***all governmental and third-party approvals*** that are necessary to implement and effectuate this Plan"); XI.11.2 (jurisdictional provisions of documents contained in Plan Supplement "shall control"); XI.11.3 (recognizing the bankruptcy court may be "without jurisdiction" over certain "matters arising out of the Plan")) (emphasis added). Further, Movants previously represented that they would "make evert effort to ensure that any Confirmation Order entered by the Bankruptcy Court and the steps taken pursuant to the Confirmation Order to implement the Plan ***are recognized and are effective in all applicable jurisdictions***" (Dkt. 847 at § VIII.A.3) (emphasis added). Seeking recognition and enforcement in Greece and Liberia are actions that Movant had previously agreed to undertake *regardless* of any sanctionable conduct on behalf of Respondent. As such, Respondent should not have to bear the costs and fees associated with recognition and enforcement in Greece and Liberia (Orfanidou Decl. ¶¶ 5-10; Pierre Decl. ¶ 5-12).

33. Indeed, under Greek law, which adopts the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency, any bankruptcy plan for Holdings, whose Center of Main Interest is in Greece, must be recognized in Greece before it becomes effective. *See* UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment, Art. 17, https://uncitral.un.org/sites/uncitral.un.org/files/mediadocuments/uncitral/en/insolvency-e.pdf. And in fact, consistent with that law, and the express representations in the Plan, Movant has sought recognition of the Plan in Greece.

34. Further, Movant is not entitled to costs and fees for actions that it undertook ***voluntarily***, including redomiciling Eletson Holdings in the Marshall Islands (Pierre Decl. ¶ 5). Redomiciling Eletson Holdings in the Marshall Islands was an action that Movant undertook for its own strategic and/or business purposes, and unrelated to the "contemptuous conduct" of Respondent. Respondent should not—and cannot—be required to bear any of the costs related to Movant's redomiciling efforts.

35. Accordingly, the Court should deny fees and costs related to (i) recognition and enforcement proceedings in Greece and Liberia, and (ii) redomiciling Eletson Holdings in the Marshall Islands.

### *3. Reorganized Holdings is Not Entitled to Fees for Appeals Taken from this Court*

36. The Court conditionally granted Reorganized Holdings fees and costs in "preparing, briefing, and arguing" the Attorneys' Fees Motion, the Consummation Motion, the AOR Sanctions Motion, and the Foreign Opposition Sanctions Motion, and "actions related to the [Sanctioned] Parties' non-compliance with this Court's decisions and orders, including the Confirmation Order, the January 24 Decision, the Consummation Order, the AOR Sanctions Order, the March 12 Decision, and the Foreign Opposition Sanctions Order." (Dkt. 1712 at 4).

Nowhere in the Order did the Court award Reorganized Holdings attorneys' fees and costs related to the lawful appeals taken from the underlying orders.

37. The Motion seeks attorneys' fees from preparing, briefing, and arguing in both the District Court and Second Circuit oppositions to the pending appeals of the Confirmation Order, the Consummation Order, and the Foreign Opposition Sanctions Order. (*See e.g.*, Ortiz Decl. at 8, 33-34, 45-49, 51-53, 56, 61-63, 65, 67-70, 73, 75-76, 78, 80-81). Costs billed under the matter "Appeals" amount to $161,615.50 and an additional $28,695.50 was billed for fees related to appeals under matters other than "Appeals" prior to any discount applied by Togut. (*See id.*)

38. Reorganized Holdings cannot be said to be the prevailing party ***on pending appeals***. In fact, in Movant's motion to dismiss Respondent's appeal of the Consummation Order in the District Court, it specifically sought an award of fees relating that appeal. (*See* Consummation Order Appeal, Dkt. 6). The District Court has yet to rule on that motion, but in any event, Movant cannot recover those fees and costs here.

39. Nor did the Attorneys' Fees Order purport to award fees for appeals taken from the at issue orders. Respondent disputes that it is "contemptuous conduct" to file an appeal—it is not. Indeed, counsel for Reorganized Holdings represented to this Court that "[w]e are not seeking sanctions for anyone taking appeals." (5/15/2025 Hr'g Tr. at 41:20-21). As such, any attorneys' fees and costs stemming from those appeals, approximately $190,311, should be excluded from any fees and costs awarded to Reorganized Holdings.

#### *4. Reorganized Holdings is Not Entitled to All Fees and Costs Related to its Motions Where They Had Limited Success*

40. The Motion seeks all fees and costs for work on the Consummation Motion, the AOR Sanctions Motion, and the Foreign Opposition Sanctions Motion, despite not achieving success against all the parties against whom the motions were filed. "[I]f 'a plaintiff has

achieved only partial or limited success, the product of hours reasonably expended on the litigation as a whole times a reasonable hourly rate may be an excessive amount.'" *Farrar v. Hobby*, 506 U.S. 103, 114 (1992) (quoting *Hensley v. Eckerhart*, 461 U.S. 424, 436 (1983)); *Metrokane, Inc. v. Built NY, Inc.,* 2009 U.S. Dist. LEXIS 27208, at *4 (S.D.N.Y. Mar. 6, 2009) ("reductions are appropriate not only for work on unsuccessful claims and arguments, but also for inefficient or duplicative work").

41. The billing entries included in the Motion include time spent preparing, arguing, and reviewing opposition papers from the parties who were not found in contempt, including Reed Smith LLP (*see e.g.,* Ortiz Decl. at 14-15, 40-41, 54, 78). In its First Sanctions Motion and Second Sanctions Motion, Reorganized Holdings sought sanctions against a number of parties against whom an order for sanctions and/or contempt was not entered by this Court, including Reed Smith LLP (*see* Dkt. 1268 at 1; Dkt. 1416 at 2-3). The same is true for the Third Sanctions Motion, where Reorganized Holdings sought an order of contempt and sanctions against various parties, including counsel (*see generally* Dkt. 1459). Only a portion of the respondents to the Third Sanctions Motion were found in contempt and sanctioned by the Court. (*See generally* Dkt. 1537).

42. Togut's summary of costs does not consistently identify (as it must) the parties to which the motion or work at issue relates, nor does it separate entries by party such that the Court can identify the costs related to successful claims (*see* Ortiz Decl. at 14). Movant's choice to prepare an omnibus reply in connection with certain motions also prevents the Court from properly separating the fees (*see* Dkt. 1299, 1455, 1522). As the underlying support provided by Movant fails to properly identify work for *only successful claims*, the hours spent for motions with unsuccessful claims should be excluded from any award of attorneys' fees and costs. In the

alternative, the Court should reduce the overall award of attorneys' fees and costs to account for the unsuccessful claims.

**B. The Fees in Relation to Respondent Are Unreasonable**

***1. Movant's Request for Fees and Costs for Togut, Segal, & Segal LLP Is Not Reasonable***

43. Togut's block-billing and failure to account for numerous hours of work presents a wholly insufficient basis for an award of attorneys' fees in full. Likewise, vague entries lack the necessary transparency for Respondent and this Court to identify the reasonableness of the attorneys' fees and costs that are sought in the Motion.

44. For example, a billing entry that has a total of 2.4 hours block-billed, with vague descriptors, like calls with client on "hearing strategy and related matters" and a call with a colleague "on open issues relating to hearing need team to run down" (Ortiz Decl. at 43), is wholly lacking in the necessary specificity. Given the multiple motions pending at this time, and various respondents to those motions, such an indistinct description is facially inadequate to justify any award of fees. *See Trustees of Bricklayers & Allied Craftworkers Loc. 5 New York Retirement v. Helmer-Cronin Construction, Inc.*, 2005 U.S. Dist. LEXIS 40165, at *15 (S.D.N.Y. Oct. 24, 2005) (finding billing entries including "Study and Review file," "Telephone call with client," "Letter to Silkey," and "Research" were "vague and d[id] not provide any indication as to the subject matter of the telephone calls, letters, research, and documents reviewed"). Where the descriptions are incomplete or lack specificity such that the Court can assess the reasonableness of each discrete project, Courts have instituted an overall reduction in the fee awarded. *See Kirsch v. Fleet St., Ltd.*, 148 F.3d 149, 172 (2d Cir. 1998) (upholding 20% reduction for vague entries).

45. For instance, one entry on February 25, 2025 includes a total of 7.6 hours (and $8,930 billed); however, the description only accounts for 2.1 hours of work (*see* Ortiz Decl. at 47). Another on 2/5/2025 block-billed 8.1 hours but only accounted for 6.8 hours (*see id.* at 33). Similarly, another entry which includes 11.4 hours (and $11,115.00) is simply described as "Prepare for January 6, 2025 hearing on Motion for Sanctions." (*Id.* at 24). Such block-billing entries are considered "most problematic where large amounts of time (*e.g.*, five hours or more) are block billed; in such circumstances, the limited transparency afforded by block billing meaningfully clouds a reviewer's ability to determine the projects on which significant legal hours were spent." *Beastie Boys v. Monster Energy Co.*, 112 F. Supp. 3d 31, 53 (S.D.N.Y. 2015). In such cases, "[a]cross-the-board reductions in the range of 15% to 30% are appropriate when block billing is employed." *Genger v. Genger*, 2015 U.S. Dist. LEXIS 28813, at *4 (S.D.N.Y. Mar. 9, 2015).

46. The matter is further overstaffed, as shown by the thirteen attorneys and two paralegals/law clerks billing time on the matter (Ortiz Decl. at 6). The overstaffing is further evidenced by the attendance of *eight* attorneys at the December 16, 2025 hearing before this Court, totaling $17,315 in fees. (Ortiz Decl. at 18). Many of the billing entries consist of conferences or communications between the numerous billers. For example, in November 2024 alone, the summary of costs includes over 137 entries (out of a total of 237) for internal communications (Ortiz Decl. at 7-12). Likewise, over 40% of the entries from January involve internal communication (Ortiz Decl. at 22-30). The overstaffing and excessive internal communication present here warrants a reduction in the fees sought by Movant. *Chrysafis v. Marks*, U.S. Dist. LEXIS 168718, at *21 (E.D.N.Y. Sept. 21, 2023) ("Courts have generally

found that an across-the-board reduction is appropriate where the records demonstrate excessive communication with co-counsel").

47. As such, the Court should not grant attorneys' fees where the underlying support provided by Movant is insufficient to evaluate reasonableness. In the alternative, the Court should reduce the overall award of attorneys' fees and costs due to the failure of Movant to properly support its request for fees and costs.

***2. Movant's Request for Fees and Costs for Avgitidis and PTA Firm Is Not Reasonable***

48. "It has long been understood that a request for attorney's fees will be honored only when supported by adequate documentation of services rendered." *In re Etienne Estates at Wash. LLC*, 2016 Bankr. LEXIS 993, at *27 (Bankr. E.D.N.Y. March 2016). Here, the Motion fails to provide sufficient underlying support for the total fees and costs it seeks relating to work by Avgitidis and PTA Firm. Without the requisite level of specificity, it is impossible for Respondent to effectively challenge the request for fees and costs for these entries. It is also impossible for the Court to "meaningfully review the request" to "determine whether the fees are both 'reasonable and actual costs of collection.'" *Id.* Fees and costs should be denied on this basis alone.

49. The cost summaries provided by Avgitidis and PTA Firm lack the most basic details necessary for the Court to determine the reasonableness of the work performed. The Avgitidis summary provides only an extremely broad description under "Type of Work" and the number of total hours for each individual biller for the month (*See* Orfanidou Decl., Ex. 1). Similarly, PTA Firm's summary of costs provides only the total fee and costs, invoice date, and a vague description. (*See* Pierre Decl., Ex. 1). Neither summary nor declaration provide details that could shed light on the manner in which the purported billers spent their time and whether

that time was necessary and/or reasonable, let alone whether it related to work on the specific issues as to which fees were awarded. *See In re Etienne*, 2016 Bankr. LEXIS 993, at *27 ("Adequate documentation entails not only listing the number of hours worked, but also providing sufficient description of how those hours were spent.")

50. Avgitidis reports a total of 80 hours incurred and €32,000 billed from March, April, and May for "Coordination of all Lawyers involved on the side of reEletson Holdings and Pach Shemen / Wilmington/ Eletson Corporation, review of all incoming material / communication by Professor Avgitidis" (Orfanidou Decl. at 13, 16, 19). There is no additional information to provide Respondent or this Court regarding with any idea as to what "coordination" entails or for which proceedings those communications were purportedly made. Another entry lists 25 hours of "[c]orrespondence and responses to inquiries by related parties" (*id.* at 19), a wholly insufficient description by this Circuit's standards. *See Trustees of Bricklayers & Allied Craftworkers Loc. 5 New York Retirement,* 2005 U.S. Dist. LEXIS 40165, at *15. Moreover, significant time was billed wholesale to the drafting of various briefings, providing no detail as to the specific tasks of each biller. (Orfanidou Decl. at 7, 11-15. 17) There is no ability to determine whether duplicative or unnecessary time was billed.

51. PTA Firm's summary of costs is equally lacking in requisite detail. The fees are described in extremely broad terms, including "legal services" and "services." (Pierre Decl., at 8). No dates of services, specific proceedings, or contemporaneous billing entries allow any kind of interrogation into whether the services rendered and time spent on each task was reasonable. The entries lack *any* context.

52. While there is no per se rule against block-billing, such billing may be deemed too vague for purposes of an attorneys' fees application if the court is unable to determine the

reasonableness of the work performed. *Adorno v. Port Auth. of N.Y. & N.J.*, 685 F. Supp. 2d 507, 515 (S.D.N.Y. 2010) ("While block-billing is disfavored and may lack the specificity for an award of attorneys' fees, it is not prohibited as long as the court can determine the reasonableness of the work performed.").

53. The Court should not grant fees for such vague and opaque entries. In the alternative, the Court should reduce the fee's requested because of the failure to provide transparent and reasonable billing records. *Barclays Capital Inc. v. Theflyonthewall.Com,* 2010 U.S. Dist. LEXIS 65419, at *15-16 (S.D.N.Y. June 30, 2010) ("Courts may reduce the number of hours in a fee application where the time entries submitted by counsel are too vague to sufficiently document the hours claimed."); *Montalvo v. Paul Bar & Rest. Corp.*, 2023 U.S. Dist. LEXIS 161446, at *18 (S.D.N.Y. Sept. 13, 2023) (reducing attorneys' fees requested based on abbreviated and vague time entries).

## II. The Court Should Defer Issuing a Ruling During the Pendency of the Appeals

54. Regardless of the reasonableness of the fees and costs, the Court should defer issuing a ruling on the Motion pending the resolution of the appeals. Courts in the Second Circuit are "not required to resolve the motion for attorneys' fees before the appeal is completed. Indeed, [c]ourts in this Circuit regularly defer the award of attorneys' fees or deny the motion without prejudice pending the resolution of an appeal on the merits." *Apex Emps. Wellness Servs., Inc. v. APS Healthcare Bethesda, Inc.,* 2017 U.S. Dist. LEXIS 14254, at *34 (S.D.N.Y. Feb. 1, 2017) ("delaying the resolution of the attorneys' fees issue until the appeal on the merits has been decided is the most prudent course of action," as "[d]eferring a ruling on [a] motion for attorneys' fees until the Second Circuit resolves [the] appeal ensures that this [c]ourt only has to address the motion for attorneys' fees by the party that ultimately prevails").

55. Here, any award of attorneys' fees is intrinsically intertwined with the merits of the Sanctions Orders. Should any of the Sanctions Orders be reversed on appeal, the Sanctions Orders would become moot and attorneys' fees would be inappropriate. *Ema Fin., LLC v. Vystar Corp.*, 2024 U.S. Dist. LEXIS 138509, at *2, 4 (S.D.N.Y. Aug. 5, 2024) (denying motion for attorneys' fees "because the appeal could moot [the] application or change the scope of relief").

56. So too is the Motion intertwined with the merits of the tandem appeals pending in the Second Circuit. *See In re Eletson Holdings*, 25-176 (2d. Cir.) (the "Bankruptcy Appeal"); *Eletson Holdings, Inc., et al. v. Levona Holdings Ltd.*, 25- 445 (2d Cir.) ("Turnover Appeal"). Indeed, one of the central issues in those appeals is "who owns and controls Holdings at this time and whether accommodation should have been made for the foreign bankruptcy proceedings to finalize the restructuring." (Turnover Appeal, Dkt. 43.1 at 4). On June 25, 2025, the Second Circuit issued an order denying Movant's Motion To Dismiss Or Remand the Dismissal Appeal, declining to decide whether Movant's description of itself as "Eletson Holdings Inc." is accurate, and stated that the parties' arguments on the issue of who controls Eletson Holdings, Inc. would be heard by the merits panel (Dismissal Appeal, Dkt. 50.1). Although this Court has expressed its views on the issues before the Second Circuit in the parallel appeals, it is those views that are going to be tested on the merits of the parallel Second Circuit appeals.

57. At the very least, the Second Circuit has rejected the simplistic assumption that Respondent has no right to be heard or assert rights that Respondent maintains it was given by express representations in the Plan and by operation of the laws of a foreign country (including in Greece where Holdings maintains its center of main interests) and international comity (*id.* (denying Movant's motion to dismiss and allowing parties to "rais[e] their arguments regarding

who controls Eletson Holdings, Inc., and what effect that control has on the appeal, before the merits panel"). The Second Circuit will decide those predicate issues in due course. As a practical matter, this Court can and should exercise its discretion to refrain from reaching the merits of the Motion pending the Second Circuit's adjudication of those issues. Accordingly, the Court should defer consideration of the Motion until after the District Court and the Second Circuit have addressed all appeals. *See Matsumura v. Benihana Nat'l Corp.,* 2014 U.S. Dist. LEXIS 54404, at *19-20 (S.D.N.Y. Apr. 17, 2014) (denying defendant's motion for attorneys' fees and deferring consideration thereof until after the Second Circuit has addressed the merits of the plaintiffs' pending appeal); *Tancredi v. Metropolitan Life Ins. Co.*, 378 F.3d 220, 225-26 (2d Cir. 2004) ("If an appeal on the merits of the case is taken, the [district] court may . . . deny the motion [for fees] without prejudice, directing under [Fed. R. Civ. P. 54] (d) (2) (B) a new period for filing after the appeal has been resolved.")

## CONCLUSION

The Court should deny the Motion and grant such other relief as the Court deems proper.

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