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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:

We respectfully write on behalf of the Eletson Holdings Inc. entity that the Second Circuit recognizes as being represented by Reed Smith LLP ("Reed Smith") in response to the reply letter (Dkt. 1774) filed by Herbert Smith Freehills Kramer ("Herbert Smith") concerning its proposed judgment (the "Reply"). The Reply mischaracterizes the objections set forth in the letters of August 8 submitted by Reed Smith (Dkt. 1770) and Rolnick Kramer Sadighi LLP ("RKS") (Dkt. 1769) on behalf of their respective clients (collectively, the "Objections") and fails to justify entry of the proposed judgment at this time.

First, Reed Smith's ability to represent its client has in fact been recognized by the Second Circuit when it denied the motion by Herbert Smith's client to dismiss the pending appeal of the Confirmation Order and expressly stated that it was leaving open the question of "who controls Eletson Holdings, Inc., and what effect that control has on the appeal" until that appeal is heard on the merits. (2d Cir. Case No. 25-176, Dkt. 50.1). The Reply's suggestion that Reed Smith is somehow in "continued contempt" based on a directive of the District Court and a filing in this Court (Reply at 3-4) is without merit and another instance of the bad faith accusations against counsel that Reorganized Holdings has made over and over again. If Your Honor has a preferred nomenclature for Reed Smith to use to refer in this proceeding to the client Reed Smith continues to represent (with a motion to withdraw denied, and with the client unable to secure any other counsel—in part because of the bad faith accusations of contempt), we respectfully invite Your Honor to inform us.

Second, the Reply makes no attempt to address the Objections' argument that the Proposed Judgment utterly fails to make the required individualized showing that each of the subject parties was in contempt of the specific sanctions order on each specific date for which sanctions are calculated, ignoring any mitigation or intervening events—such as the withdrawal of various foreign proceedings or the fact that Herbert Smith's clients are not only aware of the identity of the previous Address of Record, but have purported to change that position and have even purported to move the relevant entities out of Liberia—that have rendered some or all of the sanctions moot. The Proposed Judgment's table merely counts days between various dates and cannot substitute for the evidence necessary to show that each of the individual parties was in fact engaged in sanctionable behavior on each of those days.

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Third, the Reply's attempt to pass off the Greek Court Decision as a "red herring" ignores the plain language of that ruling in which that the three-judge court found serious problems with the actions taken by Herbert Smith's client in Greece by, among other things, its unlawful efforts to assert control over entities beyond the debtor. As for the Reply's assertion that nothing in the Greek Court Decision affects its view that recognition is not required in Greece, that position is wrong for at least three reasons: First, it was Reorganized Holdings that commenced that proceeding seeking recognition. It is the most obvious sort of sour grapes now to say that, oh, Reorganized Holdings did not need the recognition anyway. Second, the Bankruptcy Plan and related disclosure documents, restated in this Court's Orders, stated over and over that such recognition *was* necessary and that the creditors would take all steps necessary to secure it. And, third, the very issue of whether foreign recognition is necessary, quite apart from the promises and the Plan, is currently the subject of an appeal to the Second Circuit. The Second Circuit's expressed intent to decide that issue should give Your Honor serious pause in assuming the issue does not exist.

Fourth, and relatedly, Reorganized Holdings may hide its head in the sand to ignore the Greek Court Order, but Your Honor cannot and certainly should not do so. This Court has authority to revisit its own orders even while the orders are on appeal in light of new and changed circumstances – that being that a duly constituted, competent, and unanimous Greek Court determined that the Bankruptcy Plan as being misused by Reorganized Holdings is "contrary to national public policy" (Dec. p. 7), "contrary to the fundamental legal and political concepts of national legal order" (Dec. p. 7), and is in "manifest conflict with public policy" (Decision p. 7) (attached to our letter of August 8, 2025, Dkt. 1770). That court agreed with some of the very arguments that our client was making as to why contempt was inappropriate in the first place. At a minimum, therefore, this Court should not enter the Proposed Judgment absent an affirmative showing that the conduct previously found to be sanctionable remains so in light of the Greek Court Decision.

Finally, the Reply misconstrues the Objections' arguments about the pending appeals of the Sanctions Orders. Neither Reed Smith nor RKS has suggested that the Sanctions Orders have no validity because of the appeals. That is a fabrication. The objection is to unspecified and non-evidentiary efforts to collect on the underlying sanctions before the validity of those sanctions has been confirmed. Entry of the Proposed Judgment at this point will simply lead to further appeals of that judgment, which will at a minimum be duplicative and inefficient.

We ask that Your Honor not enter the proposed judgment and direct the parties promptly to address the effects of the Greek Order on this Court's prior rulings.

Respectfully submitted,

Louis M. Solomon

cc. Counsel of Record