

# Lloyd's List

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## NewLead issues stock to creditors to settle \$7m bill

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- by [Nigel Lowry](#)

Deal ends Greek owner's Nasdaq capitalisation woes

DRY bulk and tanker owner NewLead Holdings has struck a deal to settle a significant amount of trade debt in which some of its trade creditors will take a large slice of the company's stock, thus resolving the owner's capitalisation troubles with the Nasdaq exchange.

According to NewLead, the Nasdaq authorities have confirmed that the company regained compliance with rules setting out a minimum market value of publicly held shares for continued listing. The company breached the minimum \$5m threshold in September and had until March 14 to raise the value of the public float higher than the minimum for 10 consecutive trading days.

The company's share price has stabilised at about \$1 and NewLead has issued more than 6.5m new shares to settle \$6.6m of unsecured market debts owed to unnamed third-party trade creditors.

A spokesman for NewLead, which has been in restructuring talks with banks since the middle of last year and has been trying to deleverage, told Lloyd's List that creditors' willingness to take shares was "a sign of trust in our company".

Lloyd's List understands that the value of publicly held shares has been boosted by the dissolution of an agreement in which the former owners of NewLead, then Aries Maritime Transport, assigned their voting power to Grandunion, a vehicle for NewLead chief executive Michael Zolotas and chairman Nick Fistes, when it took over the company in 2009.

Rocket Marine, a company linked to former chairman Gabriel Petridis and former chief executive Mons Bolin, controls nearly 1.5m shares that are no longer under beneficial ownership of NewLead's management.

Mr Zolotas and Mr Fistes have been issued 1.2m shares under a new stock-only employment deal. According to filings, Mr Zolotas is now deemed to beneficially own 61.1% of the company's stock and Mr Fistes controls 14.6% and Rocket Marine 8.4%.

The stock price closed in New York on Thursday at just above \$1, after hitting \$1.35 per share earlier in the week after NewLead confirmed it had wiped off a large chunk of its debt and sold another bulk carrier. The free float was more than \$17m.

NewLead is expected to resolve another strand of non-compliance with Nasdaq rules on March 19 when a one-for-five reverse stock split is due to take effect. The move will reduce the outstanding shares from around 17.4m to under 3.5m, but will cushion the share price which, under exchange rules, must remain consistently above a minimum \$1.

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