

## NewLead unwinds nickel wire for equity deal

- Monday 10 June 2013, 09:58
- by [Nigel Lowry](#)

Interested in this topic? Set up a custom email alert and we'll tell you everytime we write more like this.

Shares will be cancelled and \$200m  
nano-tech material returned to owner

NEWLEAD Holdings is to unwind a novel transaction at the start of this year that traded a large stake in the Nasdaq-listed shipping and commodities company for an amount of valuable nickel wire.

Under the purchase agreement unveiled in January, NewLead received a "capital contribution" of 3,750 grams of nickel wire, a material used in nano-technology, in exchange for about 258.5m shares of its common stock.

The material was said by the company to be worth more than \$200m, although an appraised value acceptable to the stock exchange authorities was pending.

Incoming holders of a 36.8% equity stake in payment for the contribution of industrial metal were Vasileios Telikostoglou, president of a northern Greece-based company that sold the nickel wire to NewLead, and Marshall Islands — "as efforts to use this nickel wire as collateral had not succeeded".

The shares issued to the seller will be cancelled and will no longer be outstanding and the nickel wire will be returned to the investor, said NewLead.

The company noted that the agreement allowed it to annul the deal if the nickel wire was not sold or used as collateral within 18 months.

The unusual transaction was part of NewLead's efforts to put itself back on a growth footing after whittling down its fleet through a marathon restructuring and reduction of debt.

It owns two bulkers and manages two tankers, but has also launched a commodities division with rights to exploit and transport large coal deposits and other natural resources in two US states.

However, the company has come under pressure from Nasdaq for not filing its annual report for last year in a timely fashion, apparently due in part to issues arising from the nickel wire deal.

NewLead said that scrapping the transaction will "expedite the filing of the annual report".

According to Nasdaq's notification letter, the company has until July 15 to submit a plan to regain compliance but the company anticipates filing the report by then.

---

Article from Lloyd's List

<http://www.lloydslist.com/lll/sector/dry-cargo/article424152.ece>

Published: Monday 10 June 2013

© 2015 Informa plc. All rights Reserved. Lloyd's is the registered trademark of the Society incorporated by the Lloyd's Act 1871 by the name of Lloyd's