
Judge refuses to strike coal claims against NewLead

A New York Supreme Court judge has refused to throw out claims against NewLead Holdings and two executives in a lawsuit over allegations of fraud in a coal sales deal.

The decision by Judge Charles Ramos allows claims by London trader TransAsia Commodities to continue against the New York-listed shipping company, which ventured into the mining sector last year but which TransAsia argued never had the coal that it contracted to deliver.

As TradeWinds has reported, TransAsia filed the lawsuit in January, seeking \$6.2m over a failed agreement with coal-mining joint venture NewLead JMEG to buy 110,000 metric tonnes of coal. The defendants have denied the allegation.

NewLead JMEG is the main target of the lawsuit. But NewLead Holdings, its chief executive, Michael Zolotas, and NewLead JMEG chief executive Jan Berkowitz had argued that TransAsia could not also drag them into the case as additional defendants.

Judge Ramos disagreed, however. In a 17-page decision, the judge wrote that TransAsia's allegations that NewLead Holdings and Zolotas are alter egos of each other and that Berkowitz and NewLead JMEG are alter egos of each other, were enough to bring them under the New York court's long-arm jurisdiction.

NewLead Holdings declined to comment for this story, and Berkowitz did not respond to TradeWinds' request for comment.

As TradeWinds has reported, the January lawsuit accuses NewLead Holdings of an alleged scheme to use its mining business to inflate its share price on the Nasdaq stock exchange — a claim NewLead has denied.

The Piraeus-based owner of 10 bulkers and tankers, which has since been delisted from the exchange, has alleged in a counterclaim that it was fraudulently induced by TransAsia into signing the coal purchase agreement.

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