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THE HONORABLE RONALD B. LEIGHTON

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

KPI BRIDGE OIL LTD.,

Plaintiff,

v.

M/V EVERGLORY (IMO 9628893), her tackle,
boilers, apparel, furniture, engines, appurtenances,
etc., *in rem*,

Defendant.

IN ADMIRALTY

CASE NO.: 3:15-cv-05851-RBL

**STIPULATED MOTION AND
ORDER FOR APPROVAL OF
SUBSTITUTE SECURITY AND
RELEASE OF VESSEL**

I. STIPULATION

Plaintiff, KPI BRIDGE OIL LTD. (“KPI” or “Plaintiff”) and Counsel for the Vessel’s Owners, Claimant Marina Amethyst Shipping Limited (“Claimant” or “Owners”), by and through undersigned counsel, stipulate to an Order approving substitute security and releasing the M/V EVERGLORY (IMO 9628893) (the “Vessel”) from arrest. As grounds for this motion, the parties state the following:

1. Owners have provided substitute security to stand in place of the M/V EVERGLORY and serve as security for Plaintiff’s *in rem* claims against the Vessel pursuant to Rule E(5)(a) of the Supplemental Admiralty Rules. *See* Rule E(5)(a).

2. Specifically, the parties have agreed to substitute security in the form of an acceptable deposit into an agreed Escrow Account in the amount of USD 1,125,000, pursuant to an Escrow Agreement between KPI and Owners, to secure claims *in rem* against the said

1 Vessel, which the parties agree may be substitute *res* in lieu of the *in rem* arrest of the vessel.
2 *See Petroleos Mexicanos Refinacion v. M/T King A*, 554 F.3d 99, 105 (3d Cir. 2009)(“[A]s
3 a substitute for the *res*, [the funds] have the effect of transferring the maritime lien from the
4 vessel to the security fund.”); *Betty K Agencies, Ltd. v. M/V MONADA*, 432 F.3d 1333, 1341
5 (11th Cir. 2005) (noting the substitute security “becomes substitute for the property.”)
6 (internal citations omitted)); *see also Alyeska Pipeline Serv. Co. v. The Vessel Bay Ridge*, 703
7 F.2d 381, 384 (9th Cir. 1983), *cert. dismissed*, 467 U.S. 1247 (1984) (“A plaintiff’s lien for the
8 claims alleged against the vessel is transferred to the security posted.”); *Gabarick v. Laurin*
9 *Mar. Am., Inc.*, 2014 U.S. Dist. LEXIS 135248, *298 – 299 (E.D.La. 2014)(“...the [escrow
10 amount] operates as a substitute *res*, in place of the vessel, against which the Court’s judgment
11 is enforceable to the same extent that it would be were the vessel actually in the custody of the
12 Court or a designated trustee.”)

13 3. As the parties have stipulated and agreed to substitute security in accordance
14 with the provisions of Supplemental Rule E(5)(a), it is respectfully requested that the Court
15 approve the security provided to counsel for Plaintiff in lieu of continuation of arrest of the
16 vessel and that the Substitute Custodian and U.S. Marshal be directed to release the arrested
17 property, the M/V EVERGLORY, without delay.

18 4. Finally, undersigned counsel confirms that the fees for the United States
19 Marshal and Substitute Custodian have been provided¹, and that there are no other parties that
20 have appeared in this action. Therefore, the Vessel may immediately be released from arrest.
21 A form of proposed Order is submitted with this Motion.

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25 _____
26 ¹ The U.S. Marshal has not yet been invoiced for the services provided relating to the arrest, but confirms that KPI provided the required deposit. Once invoiced, the U.S. Marshal fees will be deducted from this deposit.

1 DATED this 17th day of December, 2015.

2 NICOLL BLACK & FEIG PLLC

KEESAL, YOUNG & LOGAN

3 /s/ Jeremy B. Jones

/s/ Philip R. Lempriere

4 Jeremy Jones, WSBA No. 44138
5 Shannon L. Trivett, WSBA No. 46689
6 *Attorneys for Plaintiff*

Philip R. Lempriere, WSBA No. 20304
Molly J. Henry, WSBA No. 40818
Attorneys for Claimant

6 OF COUNSEL:
7 CHALOS & CO, P.C.
8 George M. Chalos (GC-8693)
9 (*pro hac vice application forthcoming*)
10 55 Hamilton Avenue, Oyster Bay, NY 11771
11 Telephone: (516) 714-4300
12 Email: gmc@chaloslaw.com

13 **II. ORDER**

14 Based on the foregoing stipulation, it is hereby:

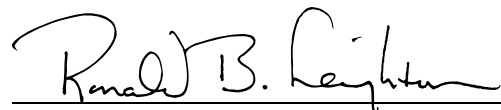
15 **ORDERED** that the Motion for Approval of Substitute security and Release of Vessel
16 is granted; and it is further

17 **ORDERED** that pursuant to Supplemental Rule E(5)(a) and the agreement of the
18 parties, the Escrow Amount of USD 1,125,000 is approved as substituted security for in rem
19 claims against the M/V EVERGLORY by Plaintiff; and it is further

20 **ORDERED** that the Defendant Vessel M/V EVERGLORY is released from the
21 custody of the United States Marshal and the Substitute Custodian Marine Lenders Services,
22 LLC; and it is further

23 **ORDERED** that it is not necessary for a Deputy Marshal to proceed to the Vessel for
24 the release of the M/V EVERGLORY. Instead, the release may be communicated and made
25 effective by provision of a copy of this Order, by facsimile or email, to the office of the United
26 States Marshal and to the Substitute Custodian for the Vessel.

DATED this 17th day of December 2015.



Ronald B. Leighton
United States District Judge