

# TransAsia Wins \$22 Million Fraud and Conspiracy Claim Against NewLead Holdings and its CEO, Michael Zolotas

NEW YORK, NY, USA, December 22, 2017 /EINPresswire.com/ -- The New York Supreme Court has awarded London-based commodity trader TransAsia Commodities Investment Ltd. over \$22 million in contractual and punitive damages, sanctions and interest against Greek shipping company NewLead Holdings Ltd., its CEO Michael Zolotas and related defendants.



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*Serge Turko, TransAsia*

The award, made public this week, represents a major victory in what began nearly four years ago as a dispute over a failed coal trade but evolved through 26 motions and the submission of 741 documents with the court into an elaborate "pump and dump" stock scam by what had once been a Nasdaq-listed international shipping company.

Early this year, Judge Charles Ramos of the Supreme Court of New York County issued a judgment on liability in TransAsia's favor on six separate counts, including common law fraud, fraudulent inducement, civil conspiracy and alter

ego. The Judge referred the case to Special Referee Jeremy Feinberg to conduct a damages trial and to assess damages. The Special Referee's report to the court upheld TransAsia's financial claims virtually in full, and Judge Ramos confirmed Judge Feinberg's recommendations.

"I give Judge Ramos great credit for his ability to grasp the intricacies of this complex case," TransAsia director Serge Turko said. "In over 25 years in the commodities business I have never seen anything close to what I have personally experienced during this litigation. Evidence presented during this litigation showed that Michael Zolotas operated a sophisticated international financial operation used to deceive TransAsia, investors and regulators. The operation involved money laundering, self-dealing and insider trading, spanning multiple continents in 10 jurisdictions. The true extent of the fraud will never be uncovered as Zolotas deleted close to 3 years of evidence."

TransAsia's claims arose from contracts it signed with defendant NewLead JMEG, an affiliated company headed at the time by defendant Jan Berkowitz, in 2013 for the purchase of coal which, according to court documents, NewLead never owned, from supposed mines it also did not own.

In April 2017, during the damages hearing, Mr. Turko testified that an expert witness concluded that the fraud by the defendants was part of an ongoing "pump and dump" scheme designed to inflate NewLead's share price. NewLead had no coal, no coal mines and lacked the financial ability to fulfill the contracts.

TransAsia's expert report concluded that NewLead used SEC filings and press releases, touting coal contracts and the acquisition of coal mines to inflate NewLead's share price for the personal benefit of NewLead chief executive Zolotas and others. They hid their actions by issuing shares to previously

undisclosed related offshore entities and then using off-market sales and purchase agreements transferring shares to avoid detection by financial regulators. All in all, Zolotas, his wife Chrysantha Giara and his associates operated close to 75 entities in the Marshall Islands, Panama, Liberia, Greece, Cyprus and the BVI using bearer shares, unsuspecting nominee directors and nominee shareholders. After issuing billions of shares and extracting hundreds of millions of dollars from the company, NewLead Holdings current market valuation is \$300,000 compared to the \$700 million valuation some five years ago as stated in documents filed with the court.

False counterclaims and fraudulent contracts amounting to \$241 million filed by the defendants against TransAsia forced Mr. Turko to seek protection from the UK High Court by placing his company, TransAsia Commodities Ltd., into administration. The counterclaims were withdrawn long after the damage had been inflicted. The UK trustee in administration assigned the claims against the NewLead Holdings and the Defendants to TransAsia Commodities Investment Ltd., who litigated this case.

NewLead JMEG LLC conceded liability on the breach of contract and withdrew two of the counterclaims. A further \$241 million counterclaim was also withdrawn when TransAsia presented evidence that it was based on fraudulent contracts. A former FBI Special Agent assigned to the Forensic Team as an expert witness confirmed that the coal contracts were fraudulent. He pointed to the fact that the body of the contracts were altered and "electronic signatures were inserted."

NewLead, with its main offices in Piraeus, Greece, describes itself as "an international, vertically integrated shipping, logistics and commodity company providing ideal solutions for worldwide seaborne transportation of dry bulk commodities and petroleum products through owned and managed vessels." Currently listed in the OTC Pink Sheets, its recent share price was quoted at \$0.0001. Its most recent annual report filed with the SEC was for 2015.

Separately, Michael Zolotas is awaiting trial in Cyprus on unrelated charges connected with allegations of bribery against a former governor of the EU nation's central bank. Extradited from Greece after his arrest when Cyprus issued a European Arrest Warrant, Zolotas was placed under house arrest and was charged with money laundering in connection with an alleged EUR 1 million bribe which it is alleged was channelled through Focus Maritime Corp., a company he owns. The trial is currently underway in Cyprus.

Jan Berkowitz, according to court records in the Laurel Circuit Court, Kentucky, was indicted with his company JMEG Mine LLC, after a grand jury returned an indictment stating he "committed the offense of Theft of Services by intentionally obtaining services by deception to avoid payment." Earlier this year, Iredell County Sheriff's Office in North Carolina reported that Berkowitz was arrested and awaiting extradition as a fugitive to another state.

The litigation in New York Supreme Court is captioned as TransAsia Commodities Investment Limited vs NewLead JMEG et al - index 654414/2013. The Judgment was issued against all of the five defendants - NewLead JMEG LLC, NewLead Holdings (US) Corp., NewLead Holdings Ltd., Michael Zolotas and Jan Berkowitz.

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