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New York court quashes Frontline's efforts to stymie DHT/ BW deal

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This past week saw a day and a half of legal wrangling in the saga of Frontline and DHT, which unexpectedly came back to life.

The background is well known - Frontline had been attempting to gain control of DHT in a [\\$687.6 million](#) transaction. DHT, not enthused by the likely value on offer, went

out and negotiated a "ships for shares" deal with BW Group instead - where BW obtained 33.5% of DHT shares.

In this past week's unsuccessful legal move in the New York State Supreme Court, Frontline had sought to obtain an injunction and a restraining order that would have prevented the transaction between BW and DHT from going ahead.

Frontline was alleging that DHT shareholders were irreparably harmed because they were precluded from exercising their rights to vote on a Frontline acquisition of DHT. The catalyst for this legal flurry was the 20 April closing date of the Vessel Acquisition Agreement (VAA), part of the DHT/ BW deal.



The Judge, an corporate litigator who came to the bench following his retirement from a prominent New York firm, basically threw Frontline's complaint out of court - though it may not be the final word. In his published opinion on the matter, he noted that: "Plaintiff [Frontline] has failed to establish either that the defendants [DHT and BW executives] were properly served or that the Court has jurisdiction over the defendants."

The Judge also noted that Frontline's timing was "inexcusable", pointing out that 18 days had passed since the termination of talks between Frontline and DHT, during which Frontline could have properly served documents to DHT and BW if Frontline had filed its complaint promptly at end March - three weeks in advance of the VAA, rather than one day ahead. The Jurisdiction issue stems from the choice of court in the DHT/ BW deal- which the Judge pointed out did not confer any rights to third parties (eg Frontline).

The DHT / BW deal continues to move ahead. Indeed, on 20 April, DHT announced that it had taken delivery of DHT Utik, the first of nine VLCCs on the water being acquired from BW Group, all likely to be delivered during Q2 of 2017. Nevertheless, the defendants (Frontline) have 30 days to respond to the Judge's ruling, which is a "non-final disposition". A conference of all the parties is scheduled for end June.

Frontline's original complaint can be found among the items in:

<http://iapps.courts.state.ny.us/iscroll/SQLData.jsp?IndexNo=652065-2017>
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DHT's response to Frontline's complaint can be found at:

<http://www.globenewswire.com/news-release/2017/04/20/962715/0/en/DHT-Holdings-Inc-DHT-Memorandum-in-response-to-Frontline-s-Complaint.html>
(<http://www.globenewswire.com/news-release/2017/04/20/962715/0/en/DHT-Holdings-Inc-DHT-Memorandum-in-response-to-Frontline-s-Complaint.html>)

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