THE ARREST news

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In this issue of *The Arrest News:*

Preliminary Arrest of a Vessel in Alexandria Port Based on an English Arbitration Award: A Strategic Approach to Securing Maritime Claims in Egypt by Soliman Advocates

Soliman Advocates recently handled a case involving the preliminary arrest of a vessel in Alexandria Port, based on an official copy of an English arbitration award issued in the United Kingdom. This arrest falls under preliminary arrest procedures rather than the enforcement of the arbitration award itself. The arrest was imposed on the grounds that the disputed debt constituted an unpaid maritime claim, thus entitling the creditor to take such action under Egyptian maritime law.

Preliminary Arrest as an Effective Legal Tool

In this case, our team relied on preliminary arrest as a swift and efficient means to protect the creditor's rights. This measure provides the advantage of expedited enforcement and lower costs compared to the lengthy judicial procedures required for enforcing foreign judgments. Under Egyptian maritime law, a creditor has the right to request the arrest of a vessel as long as the debt is maritime in nature, regardless of the debtor's domicile or the jurisdiction in which the arbitration award was issued, as long as the vessel is within Egypt's judicial jurisdiction.

The Impact of Preliminary Arrest on Expedited Settlement

The preliminary arrest in this case significantly strengthened the creditor's negotiating position, exerting legal pressure on the debtor and prompting a swift settlement. This ensured the client's rights were protected at minimal cost and within the shortest possible time. This case demonstrates how Egyptian law serves as an effective tool for securing maritime claims, even before initiating the actual enforcement of a foreign arbitration award.

Significance of the Case in Highlighting the Effectiveness of the Egyptian Legal System

This case serves as a practical example of how Egyptian law protects maritime creditors and provides effective legal remedies for recovering outstanding claims, particularly in cases with an international dimension. Preliminary arrest emerges as a key strategic measure in this context, allowing creditors to secure their claims before proceeding with the enforcement of an arbitration award. This reinforces the efficiency of the Egyptian legal system in resolving maritime disputes.

Conclusion

As this case has shown, preliminary arrest remains a powerful legal tool for creditors in maritime disputes, especially when backed by a foreign arbitration award that strengthens their legal standing. Consequently, Egyptian maritime law continues to be a vital instrument for safeguarding commercial rights and interests in the maritime sector.

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An Update from Georgia by Valerian Imnaishvili, Marine Legal Adviser

In Georgia, sanctions have been updated for violations of maritime transport regulations. Specifically, changes have been made to Articles 114 and 582 of the Administrative Offenses Code.

Fines are imposed by the relevant maritime authorities, including Harbour Master, the Coast Guard, the Black Sea Protection Inspection, and Customs authorities.

Brief excerpts from the relevant articles are provided below. For more detailed information, please contact info@marinelegal.biz

Violation of Legislation on the Georgian Continental Shelf, Territorial Waters, and Special Economic Zone

Constructing structures on the Georgian continental shelf, within Georgian territorial waters, or in the adjacent area, establishing safety zones around these structures or around man-made islands, structures, or equipment in a special economic zone in violation of the rules set by Georgian legislation, as well as violating rules on construction, reconstruction, operation, protection, liquidation, and conservation of structures, – shall result in a fine of GEL 50,000.

Violating navigation rules in Georgian territorial waters committed by:

- a ship with a total capacity under 100 tons, – shall result in a fine of GEL 500.

- a ship with a total capacity between 100 to 300 tons, – shall result in a fine of GEL 2,000.

- a ship with a total capacity between 300 to 500 tons, – shall result in a fine of GEL 5,000.

- a ship with a total capacity between 500 to 3,000 tons, – shall result in a fine of GEL 10,000.

- a ship with a total capacity between 3,000 to 5,000 tons, – shall result in a fine of GEL 15,000.

- a ship with a total capacity between 5,000 to 8,000 tons, – shall result in a fine of GEL 20,000.

- a ship with a total capacity between 8,000 to 10,000 tons, – shall result in a fine of GEL 30,000.

- a ship with a total capacity of 10,000 tons or more, – shall result in a fine of GEL 50,000.

Exploring or surveying the Georgian continental shelf or a special economic zone, or exploiting its natural resources without the proper permit – shall result in a fine of GEL 75,000.

Sea contamination

Dumping household garbage or other waste from land into the sea shall result in a fine ranging from GEL 100 to GEL 300.

Contaminating the sea from land with oil, chemicals, petroleum, mineral and organic fertilizers, and pesticides shall result in a fine ranging from GEL 300 to GEL 600.

If the action described in paragraph 2 is committed repeatedly, it shall result in a fine ranging from GEL 500 to GEL 800.

Dumping household (solid) waste into the sea from a ship, other watercraft, platform, or another man-made structure in the sea in violation of Georgian legislation shall result in a fine of GEL 2,000.

Dumping isolated ballast water into the sea from a ship with up to 20,000 tons of total capacity in violation of Georgian legislation shall result in a fine of GEL 5,000.

Dumping isolated ballast water into the sea from a ship with 20,000 tons of total capacity or more in violation of Georgian legislation shall result in a fine of GEL 10,000.

Spilling harmful, contaminating substances, industrial, technical, or other waste and/or materials into the sea from a ship, any other watercraft, platform, pipeline, or another man-made structure in the sea in violation of Georgian legislation shall result in a fine of GEL 100,000.

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Oil Pollution as Damage Done by a Ship?

by Yoav Harris, Harris & Co. (Israel)

This article aims to explore the evolving interpretation of “damage done by a ship” under maritime law, from its historical context in the 19th century (Admiralty Court Act, 1861) to modern times. The article will take a closer look at the legal and environmental implications of oil pollution caused by ships, focusing on two significant incidents at Haifa port involving the M/V *Moraz* and M/V *Zim Sao Paulo*. It examines the specifics of each case, including the circumstances leading to the pollution, the legal proceedings that followed, and the financial and liability disputes. The article highlights how courts, particularly the Haifa Admiralty Court, are addressing these incidents in light of environmental protection principles and international conventions, offering insights into the ongoing tension between vessel owners, insurers, and port authorities.

The pollution caused by the M/V *Moraz*

On the 4th of March 2018, the M/V *Moraz* moored at Haifa port and prepared to receive heavy fuel oil from a bunkering tanker. As part of the preparation, the heavy fuel oil in tank No. 5 starboard was transferred to a settling tank. This allowed tank No. 5 to receive

the incoming heavy fuel oil at its full capacity and prevented mixing the fuel oil required for the vessel's ongoing voyage—already warmed to the necessary temperature—with the new, cold heavy fuel oil being received. However, for whatever reason, one of the receiving tank's valves remained open. As a result, as the vessel was bunkered, 10 tons of heavy fuel oil mixed with oil streamed from the vessel to its surroundings, polluting the port's basin and docks. Since the vessel's Owners and Club did not take upon themselves the cleaning operations and costs, these were borne by the Israel Ports Developments & Assets Company Ltd. Instead of paying the cleaning costs as mentioned, in July 2019, the Owners applied to the Haifa Admiralty Court and following the Brussel's convention 1957[1] (which is the limitation on liability convention implemented under the Israeli law) asked the Court to set a limitation fund, limiting their liability for the pollution damages to a maximum amount of US$323,856. In their application, the Owners further asked the court to stay any arrest or execution of the vessel - following Article 5 of the Convention.

In its judgment on 20 November 2022, the honorable Judge Ron Sokol denied the Owner's application. He reasoned that the claim subject on the limitation fund application is in the nature of "damage caused to harbor works, basins and navigable water ways" as stated in Article 1(c) of the Brussels Convention which is excluded by the Israeli legislature from the list of claims which can be subject of a limitation fund. In reaching this conclusion, the judgment refers to the 1976 convention which excludes claims for oil pollution damage from limitation (Article 3). Although not adopted into the Israeli law, the article should be considered as part of the international and domestic 'polluter pays' principle and environmental protection considerations, which should guide the interpretation of the 1957 Convention and its adopting law. In addition, the court further reasoned that the claim should be excluded from limitation due to the fact that the incident resulted from the 'actual fault and privity of the Owners' (as stated in Article 1(1) of the Brussels 1957 Convention), as the owners, through its local managers, were negligent. The owners did not appeal the Judgment denying their application, and a few months later, the vessel itself was grounded and scrapped.

As the vessel was a SPV, the registered owners had no other assets apart from the vessel. On February 2024, Israel Ports Company brought its claim against the registered Owners, the local managers, and Owners' Club before the Haifa Admiralty Court claiming the costs of cleaning the pollution it had paid in the amount of NIS 3.137 Million, together with interest and costs. The claim invoked the court's authority to hear the claim under Article 7 of the Admiralty Act 1861, stating that "The High Court of Admiralty shall have jurisdiction over any claim for any damage done by any ship".

The direct claim against the P&I Club relied on its role as an insurer that issued a certificate of insurance naming the vessel and covering its Owners and managers for claims, including damage to third-party property (such as docks). It also relied on the Third Parties (Rights Against Insurers) Act 2010, which allows a third party to sue an insurer directly when the insured becomes insolvent (Article 3: "The third party may bring proceedings to enforce the rights against the insurer without having established the relevant person's liability"). This applied to the registered Owners' situation.

The pollution caused by the M/V *Zim Sao Paolo*

On 19 July 2022, while mooring at SIPG's Haifa-Bay Port dock, a slick of oil was observed between the MV *Zim Sao Paulo* hull on the starboard side and the quay. It was later traced to a crack in the vessel's No. 3 starboard fuel oil tank. Approximately 12 tons of fuel oil mixed with oil was eventually cleaned up by the Owners' Club following a LOU provided at that date by the Club in consideration of not arresting the vessel. In April 2024, Messrs. SIPG brought their claim for loss of income during the week in which the dock was closed for cleaning and unable to accomodate

1 International Convention Relating to the Limitation of Liability of Owners of Sea-going Ships, Brussels, 10 October 1957.

expected vessels, claiming a total amount of NIS 4.698 million. This claim also invoked the above-mentioned authority of the maritime claim of any damage done by any ship.

From the 19th Century to the year 1971

In the 19th century, the heirs of the master of *The Agens,* which was run over by the Spanish vessel *Vera Cruz,* resulting in the master and other seafarers drowning, brought proceedings based on the above-mentioned clause 7 of the Admiralty Act 1861. They relied on the Fatal Accident Act 1846 (known also as the Lord Campbells Act), which allows the relatives of a deceased person person to seek damages from the wrongdoer. The claim was denied in view of the question if the Act applies to non-residents of the UK and as the above-mentioned clause 7 was construed as applied to damage being physically caused by the ship and "does not apply to a case where physical injury is not done by a ship" (Seward v. *The Vera Cruz* (1884) (at [99]))[2]. Also at that time, while walking on the cargo hold cover of *The Theta* in order to reach *The Faithful* which moored closely, the chief engineer of the *The Faithful* fell down the cargo hold and was injured as the cover on which he stepped was not properly fixed. His claim based on the above-mentioned clause 7 was denied as the ship (*The Theta*) was not active in causing the damage (*The Theta* [1894]).

About 100 years later, in 1971, these two judgments were cited by the Israeli Supreme Court in the *Fada.* The court denied an insurer's claim for reimbursement of amounts paid as the cargo interests' share of salvage costs, necessitated by the vessel's poor condition after its crankshaft broke during a voyage, requiring towing to a nearby port. The court held that a vessel's bad condition does not constitute "damage done by a ship" under Article 7 of the Admiralty Act 1861. Relying on these precedents, the Owners of the polluting vessels M/V *Moraz* and M/V *Zim Sao Paulo* argued that the pollution incidents do not qualify as "damage done by a ship" because the vessels were not actively involved in causing the damage.

Physical contact is not essential for "damage done by a ship"

The claimants countered this argument by citing *The Vinalines Pioneer* [2015] (SGHC)[3], which reviews cases interpreting "damage done by a ship". In *The Eschersheim* [1976], a salvage tug (*the Rotesand*) physically casted off her tow (*the Erokwit*) and beached her. No damage to *the Erkowit* or her cargo was caused by the beaching. However, due to the wind and waves, pollution damage later occurred to the surrounding areas from oil leaking from *the Erkowit*, and her cargo and crews' personal possessions were damaged or lost. Lord Diplock opined that damage done by a ship can occur without physical contact and that a ship may negligently cause a wash by which some other vessel or property is damaged. Lord Diplock referred to the above mentioned *The Vera Cruz* (1884) and to *Currie v M'knight* [1897] as authorities establishing the meaning of "damage done by a ship". In *Currie v M'knight*, the crew of *the Dunlossit*, in order to enable the ship to reach out to sea, cut the cables of another vessel, *the Esdale,* which became unmoored and ran aground sustaining damage. Lord Halsbury opined that *"the act which was done by the crew of the Dunlossit does not make it an act of the Dunlossit and the phrase requires that the ship against which a maritime lien for damages is claimed is the instrument of mischief, and in order to establish liability of the ship itself to the maritime lien claimed some act of navigation of the ship itself should either mediately or immediately be the cause of the damage"* (at [101]). In *the Eschersheim*, Lord Diplock further opined that *"to fall within the phrase not only must the damage be the direct result or natural consequence of something done by those engaged in the navigation of the ship but the ship itself must be the actual instrument by which damage is done. The commonest case is that of collision which is specifically mentioned [in the*

2 Seward v. The Vera Cruz (1884) 10 App.Cas. 59, 52 L.T.

3 The "Vinalines Pioneer", Registrars appeal no. 402 of 2014, Singapore High Court, 26 October 2015.

1952 Arrest Convention]: but physical contact between the ship and whatever object sustains the damage is not essential, a ship may negligently cause a wash by which some other vessel or some property on shore is damaged" (at [8-9]).

In this regard, D.R Thomas in "Maritime Liens" also mentions that *"although there existed an early but ephemeral indication to construe the phrase 'damage done by a ship' as confined to damage directly caused by a ship in a physical collision with another, the phrase is now construed unrestrictedly and with the statutory words as bearing their ordinary and literal meaning"*. This aligns with the corresponding provision in the Brussels Arrest Convention 1952 Article 1 [4](a) –"damage caused by any ship either in collision or otherwise." (1980, at [175]). Furthermore, in the Senior Courts Act 1981 the wording which was chosen is "any claim for damage done by ship"(clause 20(2) (e)).

The Haifa Admiralty Court will not freeze at the century in which the Admiralty Acts were enacted

While arresting the M/V *Mirage 1* under a decision rendered on 8th September 2011 recognizing bunkers supply as "necessaries supplied to a ship", the Haifa Admiralty Court held that the days on which the master toured the markets at the shore in order to buy provisions required for the vessel's voyage had passed long ago, as commerce is now done by fax and electronic communications. Therefore, the Court cannot freeze and adopt only the meaning given in the past to the Admiralty Acts (of the years 1840 and 1861) and has to interpret them in accordance to the modern contexts.

Vessel's heavy oil pollution as "damage done by a ship"?

By implementing this principle "any claim for any damage done by any ship", and considering the fact that fuel oil is the 'lifeblood' of a navigating vessel[5] and the growth of law - both in relation to the phrase and environmental protection (e.g., Article 192 of the UNCLOS – "States have the obligation to protect and preserve the marine environment") it seems that polluting vessels and their Owners and operators and underwriters are in jeopardy of being subject to an enforcement of maritime liens due to damages caused as a result of the pollution.

The above two matters of M/V *Moraz* and M/V *Zim Sao Paulo* are the first time in which the Haifa Admiralty Court is required to exercise its authorities on commercial damages resulting from a vessel's fuel oil pollution. Currently, the parties to these matters are in negotiations. If successful, a judicial ruling will have to wait til the next occasion. Until then, we hope this article of ours brings some points of thought to our modern world and risks of pollution.

Case References

· Folio no. 3470-02-24 Israel Ports company v. Moraz Shipping and others. Adv. Gideon Schreuer and Shimon Ohanina of Shroyer & Co. for the Claimants. Adv Roiy Cohen and Hila Nissan of S. Freidman, Abramson & Co. for the Defendants;
· Folio no. 7260-04-24 SIPG Terminal Bay Port Ltd vs.MV Zim Sao Paulo and others, Adv. Assaf Priel and Ido Frishta of Tadmor Levy & Co, for the claimants, Adv Roiy Cohen and Hila Nissan of S. Freidman Abramzon & Co. for the Defendants.

The undersigned acts as a consultant to the claimants.

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4 International Convention Relating to the Arrest of Seagoing Ships, 1952 (Brussels, May 10, 1952).

5 Reference is also made to The World Dream [2024] where it was held the gambling equipment of a cruise vessel is also included under the term "ship" in the deed of mortgage as the term encompasses "any object which is either (a) necessary to the navigation of the ship…or (b) necessary to the prosecution of the adventure" [At [51]] (Kfw Ipex-Bank GmbH v Owner of the Vessel "World Dream", [2024] SGHV 56, Singapore High Court, Admiralty, (Justice Mohan)-8 February 2024.

The MV Star Voyager Incident by Alberto Batini, BTG Legal (Italy)

In a notable case currently pending appeal in Italy, the MV Star Voyager has become the focal point of a legal dispute involving ship arrest legislation. The vessel, owned by Oceanic Shipping Ltd. and chartered by Global Cargo Lines, was *en route* from Shanghai to Naples when it suffered a cyber-attack that compromised its navigation instruments and electrical plant. This incident severely inhibited normal operations, resulting in a significant three-week delay in arrival.

Upon arrival, the cargo receivers, Italian Imports Co., discovered that their shipment of bananas and other fresh fruits had arrived in a state of complete deterioration. The entire cargo was rotten and inedible, leading to substantial financial losses for the receivers. In response, Italian Imports Co. sought to arrest the MV Star Voyager upon its arrival in Naples, invoking the 1952 Brussels Convention on the Arrest of Sea-Going Ships. Due to ongoing legal proceedings, the names of the vessel and parties involved are fictionalized.

Juridical Requirements for Arrest

To obtain an arrest of the MV Star Voyager under the 1952 Brussels Convention, Italian Imports Co. must meet specific juridical requirements:

• (Prima Facie) Existence of a Maritime Claim: The claim must fall within one of the categories outlined in Article 1(1) of the Convention. In this case, Italian Imports Co. is relying on Article 1(1)(f), which pertains to "loss of or damage to goods including baggage carried in any ship."

• Nature of Damage: While the 1952 Convention does not allow for arrest solely due to delays, it does permit arrest when there is demonstrable damage to cargo. Italian Imports Co. must argue that although the delay caused by the cyber-attack led to the loss of perishable goods, this loss constitutes damage under Article 1(1)(f).

On the other hand, cargo receivers must not provide, at the arrest stage, *prima facie evidence* that the cyber-attack was directly responsible for the delay in delivery, which subsequently led to the damage of the perishable cargo. Establishing this causal link is, however, critical for validating their claim in the future merit proceedings.

Legal Arguments

The legal arguments surrounding this case are complex:
Shipowners' Position: The lawyers representing Oceanic Shipping Ltd. contend that since the 1952 Brussels Convention does not allow for arrest based solely on delays, and given that damage resulted indirectly from this delay, they assert that an arrest cannot be justified under this framework.

Cargo Receivers' Position: Conversely, Italian Imports Co. maintains that despite the delay being a proximate cause of the cargo's condition upon discharge, the fact remains that the bananas and other fresh fruits were delivered in a damaged state—effectively constituting a total loss. They argue that this damage aligns with the definition of maritime claims under Article 1(1)(f), allowing for an arrest regardless of how that damage occurred.

Comparison with the 1999 Arrest Convention

The complexities presented in this case are further highlighted when compared with the 1999 International Convention on the Arrest of Ships. Under Article 1(1)(c) of this Convention, which includes "*loss or damage caused by the operation of the ship,*" there is a clearer basis for arrest related to operational issues such as those arising from cyber-attacks.

Cyber Worthiness and Unseaworthiness

The concept of cyber worthiness has become increasingly important in maritime law, particularly in

relation to a vessel's seaworthiness. In the case of the MV Star Voyager, the argument can be made that the evidence of a cyber-attack due to negligence on the part of the shipowner or ship manager constitutes a cause of the vessel's unseaworthiness, thereby making the shipowner/carrier responsible for the loss of cargo.

Under Article 3(1) of the Hague-Visby Rules, a carrier must exercise due diligence to make the ship seaworthy before and at the beginning of a voyage. This obligation extends to properly manning, equipping, and supplying the ship, as well as making it cargo worthy. In the context of modern maritime operations, this duty now includes ensuring that a vessel is adequately protected against cyber threats.

The failure to implement proper cyber risk management can be seen as a failure to exercise due diligence in making the vessel seaworthy. In the case of the MV Star Voyager, if it can be demonstrated that the shipowner or manager did not take reasonable precautions to protect the vessel's systems from cyber-attacks, this could be considered a breach of their duty to provide a seaworthy vessel.

The cargo interests could argue that:

• The vessel did not have sufficient, efficient, or competent crew to handle cyber threats.

• The ship's systems were not adequately protected against known cyber risks.

• The shipowner failed to implement necessary cyber risk management procedures as required by current industry standards and regulations.

Concept of Cyber Worthiness

The concept of cyber worthiness has emerged as a critical aspect of maritime operations and regulation. Recent IMO legislation has sought to address this issue comprehensively. The IMO Resolution MSC. 428(98), adopted in 2017, requires that cybersecurity risks be managed as part of a ship's Safety Management System (SMS). Key points include:

1. Cyber risks must be addressed in existing safety management systems.
2. Compliance is mandatory for all vessels subject to the International Convention for the Safety of Life at Sea (SOLAS).
3. Shipowners must address cyber risks during their Document of Compliance (DOC) audits.

As of January 1, 2021, all shipowners are required to incorporate cyber risk management into their SMS documentation. This includes:

I. Identifying and assessing risks to IT and OT systems.

II. Implementing protection and detection measures.

III. Establishing contingency plans for cyber incidents.

IV. Ensuring the ability to recover and restore systems after an attack.

Conclusion

The MV Star Voyager incident illustrates not only the challenges posed by modern maritime operations but also highlights significant legal questions regarding ship arrest legislation. As Italian Imports Co. seeks to secure compensation for their losses through arrest under the 1952 Brussels Convention, they may face formidable legal hurdles related to establishing causation and demonstrating damage in the subsequent substantive proceedings.

The outcome of this case will likely have implications for future maritime claims involving cyber incidents and perishable cargoes. As such cases become more prevalent in an increasingly digital maritime environment, both shipowners and cargo receivers will need to navigate these legal complexities carefully.

The MV Star Voyager incident has also brought to light crucial questions regarding cyber worthiness and its relationship to a vessel's seaworthiness. This case highlights the evolving nature of maritime risks and

the need for shipowners and operators to adapt to new technological challenges.

In this case, the shipowner's liability for the loss of cargo due to the cyber-attack hinges on whether they exercised due diligence in making the vessel cyber worthy. If it can be demonstrated that they failed to implement adequate cyber risk management procedures as required by current IMO regulations and industry standards, this could constitute a breach of their obligation to provide a seaworthy vessel.

The evolving concept of cyber worthiness, as defined by recent IMO legislation, places a clear responsibility on shipowners and operators to ensure their vessels are adequately protected against cyber threats. Failure to do so not only exposes them to potential cyber-attacks but also to legal liability for cargo losses resulting from such incidents.

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The Last Ship Arrest of the SS UNITED STATES by Gary Seitz, GSBB LLC

Our ship arrest team in Philadelphia, engaged by the ship mortgagee, stood by ready to start the process to foreclosure the ship mortgage, obtain the arrest of the ship and cause the US Marshal's sale of the world's greatest ocean liner, the SS UNITED STATES.

The Great Ship Big U was scheduled to be towed into Philadelphia in late 1996. She was returning from Turkey and Ukraine where her interiors had been stripped to prepare for a possible new career as a cruise ship which never proceeded. The ship was known alternately as "America's Flagship" or "the Big U". The ship was famous for holding the transatlantic speed record in both directions in July 1952 by travelling at speeds of more than 38 knots — almost 44 mph! She retains the Blue Riband for the highest average speed since her maiden voyage in 1952, a title she still holds.

At nearly 1,000 feet in length, she was sized to be able to transit the Panama Canal and had added military considerations so that she could have converted to a troopship in time of war. Her designer insisted there would be no wood in the passenger areas to make her fireproof and used only lightweight materials to reduce her weight to ensure her speed. She carried former and future U.S. president and many dignitaries, businessmen, military and government personnel, as well as regular travelers and even some immigrants during her career which numbered nearly 800 Atlantic crossings and a handful of cruises.

Competition from the jet airplane and government cost-cutting doomed the liner, and in 1969, after just 17 years of commercial service, her owners United States Lines laid up the ship. A symbol of the nation, many expected the government would relent and she would return to service. Instead, the Maritime Administration acquired her in 1973 and later sold her to a real estate developer.

An American travel entrepreneur named Fred Mayer, along with his Turkish partners in Marmara Marine bought the ship in February 1992 for the sum of $2.6 million US dollars. As CEO of Marmara Marine, Mayer specially formed a Delaware Corporation for tax purposes to purchase and refurbish the ship. Mayer stated at the time that the group planned to tow the ship to Istanbul and place it in the nearby shipyard at Tuzla Golu, spending between $150 and $170 million on its rehabilitation. The Marmara Marine consortium was owned by Mayer and his partners, Edward Cantor, a wealthy entrepreneur and developer from New Jersey with additional funds coming from the main stockholders of Marmara, the Turkish shipping family led by shipyard owner Kahraman Sadikoglu and his wife Julide.

Unfortunately, Marmara Marine did not secure the entire $120 million in financing that was estimated to be needed to complete the full refurbishment properly. Marmara Marine defaulted on its obligations. Shipyard authorities seized the ship for non-payment of services related to the hazardous materials removal. Hearing of this alarmed the two American partners who had the most to lose by this piecemeal scrapping of the ship. Our client, Edward Cantor, stepped in and brokered a deal to resolve the ship's outstanding debt.

In July of 1996, Mayer and Cantor arranged to have the ship towed back to its home waters in the United States. Towed by the Dutch ocean-going tug SMIT NEW YORK with a crew of 15 aboard, the ship made its last westbound Atlantic crossing at a speed of four knots. On July 24, 1996 the ship returned to American shores and docked at the Packer Avenue Marine Terminal in Philadelphia.

Our legal team worked with the District Court and Marshal's Service to obtain the arrest of the SS UNITED STATES to foreclose our client's preferred ship mortgage. In December, she moved to Pier 96 at Ogden Avenue. After foreclosure, a final move took place in the fall of 1997 when she relocated to Pier 82 in Philadelphia where she remained until February 19, 2025. We had no idea that the ocean liner would become a fixture on the Delaware River.

A succession of owners proposed plans to reactivate the ship, or later to convert her to a static attraction. For the past decade, the non-profit S.S. United States Conservancy sought to repurpose the vessel, but in the end was forced to sell the ship after losing a court fight with its landlord that controlled the Philadelphia pier. Okaloosa County acquired her for $1 million in October 2024 and expects to invest up to $10 million in the project to reef the liner, which is expected to take place in 2026.

After many months of delays, the famed ocean liner departed her Philadelphia berth at midday on Wednesday, February 19, 2025. Despite being rust streaked, peeling paint, and missing elements such as her lifeboats, she still had a majestic profile far different from the images of today's cruise ships. It is the first step on her final journey to becoming the world's largest artificial reef sunk off the coast of Florida, and it drew wide attention from onlookers.

To many, including me, it seems like an ignominious ending to one of the world's most famous ocean liners.

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