

UNITED STATES DISTRICT COURT  
DISTRICT OF COLUMBIA

HULLEY ENTERPRISES LTD.,  
YUKOS UNIVERSAL LTD., and  
VETERAN PETROLEUM LTD.,

*Petitioners,*

v.

THE RUSSIAN FEDERATION,

*Respondent.*

Case No. 1:14-cv-01996-BAH

**PETITIONERS' RESPONSE TO STATUS REPORT**

Petitioners respectfully submit this response to the “Status Report on Information,” filed by counsel for the Russian Federation on March 18, 2022. ECF 224.

1. The “Status Report” does not purport to represent the beliefs or knowledge of the Russian Federation. It represents only the beliefs and knowledge of “undersigned counsel.”

2. The Russian Federation’s invasion of Ukraine has caused the United States to impose “unprecedented” sanctions, and “new sanctions are being added almost daily.” The Economist, *Banks and firms face a mammoth sanctions-compliance challenge*, Mar. 19, 2022.<sup>1</sup> These sanctions “are being issued by four separate agencies: OFAC (financial sanctions), the Commerce Department (export controls), the State Department (visa bans) and the Justice Department (anti-kleptocracy measures).” *Id.* The effect of these sanctions is to cause U.S. firms to cut their trade and financial ties with the Russian Federation and companies it controls. *See id.* (“International law firms say they have never had so many inquiries; some have set up round-the-

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<sup>1</sup> Available at <https://www.economist.com/business/2022/03/19/banks-and-firms-face-a-mammoth-sanctions-compliance-challenge>.

clock hotlines for worried clients.”). Finding and executing on assets will be far more difficult as a result of these sanctions.

3. The Status Report is wrong to suggest that the “so-called ‘freezes’ of assets” will make it easier for Petitioners to execute upon a judgment. ECF 224, at 2. The Executive Orders that “freeze” Russian assets do *not* themselves make these assets available to Petitioners. On the contrary, these Orders may simply add yet another hurdle to the obstacle course Petitioners must run, by requiring Petitioners to obtain a license from the Executive Branch authorizing the transfer.<sup>2</sup>

4. Petitioners respectfully request that the Court deny the Stay Motion outright, rather than granting the further briefing requested by the Russian Federation’s counsel. Any further delay would in effect reward the Russian Federation for invading Ukraine in violation of international law. *Ukraine v. Russian Federation*, Order (Int’l Court Justice, Mar. 16, 2022).<sup>3</sup>

5. The stated desire of the White & Case law firm, to cease representing the Russian Federation, is not a basis for further delay. White & Case has not moved to withdraw from this matter, and such a motion should not be granted where it would “unduly delay” the proceedings or would “be unfairly prejudicial” to Petitioners. Local Rule 83.6(d); *see also, e.g., Ofisi v. Al Shamal Islamic Bank*, No. CV 15-2010 (JDB), 2021 WL 796273, at \*4 (D.D.C. Mar. 2, 2021)

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<sup>2</sup> Regarding the Venezuelan sanctions regime, OFAC’s position is that “[p]arties who have attached”—i.e., obtained a writ of attachment on—“shares of an entity whose property and interests in property are blocked . . . must obtain a specific license from OFAC prior to conducting an auction or other sale.” U.S. Dep’t of the Treasury, Office of Foreign Assets Control (OFAC), *Frequently Asked Questions*, No. 809 (Dec. 9, 2019), <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/809>.

<sup>3</sup> Available at <https://www.icj-cij.org/public/files/case-related/182/182-20220316-ORD-01-00-EN.pdf>.

(denying sovereign counsel’s motion to withdraw because “withdrawal is likely to halt the parties’ progress in this case”).

Dated: March 21, 2022

Respectfully submitted,

/s/ Steven M. Shepard

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**CERTIFICATE OF SERVICE**

I certify that on March 21, 2022, the foregoing document was filed electronically and served upon all counsel of record via the Court's CM/ECF filing system in accordance with the Federal Rules of Civil Procedure.

/s/ Steven M. Shepard  
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