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Port Hamilton Accuses Ocean Point of Unauthorized Access and Modification To Refinery Assets, Launches “Quiet Title” Action For Refinery Property

Accusations fly as Port Hamilton Refining and Transportation claims Ocean Point Terminals has unlawfully tampered with its refinery equipment and land access

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The PHRT refinery, currently shuttered, on the island of St. Croix. By. V.I. CONSORTIUM

Port Hamilton Refining and Transportation has launched another broadside against Ocean Point Terminals, accusing Ocean Point of meddling with its equipment and blocking access to Port Hamilton’s buildings, among other transgressions. PHRT is now seeking judgment against Ocean Point for trespassing, and is asking the courts to declare PHRT the full, free and clear owner of the

land the refinery sits on as well as all buildings and other improvements on that land.

An initial lawsuit [seeking an injunction](#) against Ocean Point for allegedly threatening to withhold security badges from Port Hamilton's contracted employees seemed to be dead in the water when Ocean Point's lawyers [fired back](#), claiming that PHRT was stirring up a storm in a teacup.

However, on Thursday, attorneys for Port Hamilton filed an amended complaint which adds accusations of shocking behavior on the part of Ocean Point — accessing and operating assets that PHRT owns without the refinery owner's consent. "Ocean Point has exercised total dominion over the equipment and buildings, including, without limitation, the power plant, Port Hamilton's fire house, several warehouses," among other buildings and equipment, PHRT claims — allegedly going as far as to move a turnstile from PHRT property to the Ocean Point side of the boundary.

Of more serious import is an alleged "grid separation" project that will create distinct electrical systems for each of the two entities. Under the project, PHRT claims, Ocean Point is seeking to make modifications to PHRT's electrical equipment without any knowledge of the details of the power separation project by Port Hamilton. The plaintiffs are worried that work done by Ocean Point could place the refinery's operating equipment at risk, and jeopardize safety for the site, the community, and the environment.

The issue seems to stem from ownership claims made by Ocean Point on certain assets that sit on land that was transferred to Port Hamilton during the [sale](#) of the bankrupt Limetree Bay Refinery at [auction](#). The amended complaint makes reference to the sale order issued by the court that the property would be vested in PHRT "with all of the Debtors' rights, title, and interests in the Purchased Assets free and clear of all Liens, Claims, and Interests," followed by a lengthy list of such hindrances.

PHRT alleges that Ocean Point claims to own "certain above-grade refinery assets" that are on the land transferred to PHRT under the APA, and claims that Ocean Point's evidence of this ownership is a January 2016 bill of sale between Hovensa and Ocean Point that "was neither witnessed nor notarized." Further, the bill of sale was not recorded in the Office of Recorder of Deeds, either.

As such, PHRT argues that there was nothing in the chain of title for the property acquired by PHRT that indicates any ownership interest by Ocean Point – either for the plots themselves or the improvements on the land.

Neither was Ocean Point's ownership asserted in the memorandum announcing the Shared Services Systems Agreement (SSSA) registered with the Recorder of Deeds in November 2018, when interests in the real property comprising the entire complex were delineated between Ocean Point and Limetree Bay Refinery, subsequently sold to PHRT.

PHRT lawyers claim that while the memorandum was lodged with the Recorder of Deeds, the SSSA itself was not, and thus no copies exist in the public domain. However, PHRT says that during the due diligence period pre-auction, LBR gave them access to over 3,600 electronic documents pertaining to the refinery. Within that cache were three copies of the SSSA, each of which discussed plans to transfer assets or portions thereof between LBR and Ocean Point via a bill of sale. However, PHRT claims no such bill of sale can be found - not in the memorandum, nor with the Recorder of Deeds.

"Ever since Port Hamilton Refining and Transportation, LLLP purchased the refinery in January 2022, Ocean Point has been asserting false claims of ownership over refinery assets that Port Hamilton purchased in the bankruptcy pursuant to a bankruptcy court sale order," PHRT Attorney Andy Simpson. "Ocean Point relies upon discredited theories of ownership that have been rejected by the Virgin Islands Supreme Court. Unfortunately, Ocean Point has used its control over security at the entire facility to deprive Port Hamilton of access to its assets and attempt to illegally enforce its unfounded ownership claims. Ocean Point also badly misreads the bankruptcy sale order. While the order does say that it does not approve a sale of Ocean Point's undivided interests in shared services systems, it does not create such interests."

Port Hamilton is also still asserting the claim in the original complaint - that Ocean Point has "refused, or threatened to refuse" security badges to PHRT's contractors. In anticipation of "hundreds of contractor employees" needing access to the refinery soon "to address ongoing projects related to restarting a refinery," PHRT argues that the court needs to restrain Ocean Point from hindering access to the property by the refinery owner's contracted employees. Otherwise the practice would "endanger Port Hamilton, Ocean Point, and the entire community."

Port Hamilton has therefore launched a "quiet title" action, asking the courts to declare PHRT the owners of the land and its improvements free and clear, removing any other party's claims. For the alleged unauthorized modifications of the assets, PHRT is asking the court for damages and to order Ocean Point to cease trespassing and "exercising dominion" over Port Hamilton's property. Lastly, PHRT has requested a permanent injunction to prevent Ocean Point from withholding security badges from PHRT's contractors and their employees, or threatening to do so.

When reached for comment by Consortium journalists, Ocean Point's General Counsel Mark Chavez called the amended complaint "baseless". Mr. Chavez went on to allege that PHRT is "well aware that it purchased the refinery subject to joint ownership of various assets, and subject to access rights preserved in favor of Ocean Point Terminals."

Mr. Chavez quoted from the same sale order PHRT attorneys did in the complaint, noting that the court declared the sale to cover "Debtors' Interest in Assets only." Not only does the court contemplate that parties other than the debtor may have interest in the assets being sold, but the sale order states "for the avoidance of doubt, the LBT Entities and Purchaser may continue to use and benefit from all such easements and rights of use or access after Closing, in accordance with the SSSA or any other agreements between the Parties."

Mr. Chavez characterized the new filing as "Port Hamilton's efforts to rewrite history," and "nothing more than a desperate attempt to seize Ocean Point's assets." A response through legal channels is expected in the near future.

Even so, PHRT's attorney concluded, "The acts of Ocean Point are outrageous and have threatened the lives of personnel and endangered the environment such that punitive damages should be assessed against Ocean Point and awarded to Port Hamilton."