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Refinery Dispute Returns Home as Local Courts Take Charge of Scaffolding Lawsuit

After a federal jurisdiction rejection, PHRT's claims against NIS over 180 tons of refinery scaffolding move back to Superior Court. The local court, which had previously granted PHRT a temporary restraining order, will now address the matter

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PHRT pickup trucks were moved to allow the removal of scaffolding from the refinery, an action that PHRT considers illegal. By. V.I. CONSORTIUM

The lawsuit between Port Hamilton Transportation & Refining and National Industrial Services – over quantities of scaffolding that PHRT said was [unlawfully removed from the grounds of St. Croix's refinery](#) — is back in the local courts.

The matter was transferred to the Bankruptcy Division of District Court of the Virgin Islands in September, and subsequently transferred again to the bankruptcy court in the Southern District of Texas – the court which originally handled the auction of the former Limetree Bay Refinery's property and the subsequent transfer of assets to PHRT.

However on Monday, that court found that it lacked jurisdiction to oversee the dispute, and remanded the matter back to the Superior Court of the Virgin Islands.

The dispute between the two companies ultimately comes down to what PHRT says is a suspiciously flawed sales agreement that upended years of tradition where the scaffolding used at the refinery is “sold” to contractors at a peppercorn rate, and returned to the refinery owners for the same nominal price once a contract for work is over. The sales agreement in question, signed in May 2019 by someone PHRT lawyers say was a) not authorized to do so as an independent contractor for Limetree Bay Refinery and b) closely affiliated with the owner of NIS.

That sales agreement, which PHRT says was known to be invalid by all parties, omitted the clause preserving the refinery owner's right to repurchase the scaffolding. This is the basis upon which NIS is asserting free and clear ownership of the scaffolding, subsequently removing approximately 180 tons of the material from the refinery premises, starting in early 2021.

Before the matter was moved to federal court, Judge Yvette Ross-Edwards, who was presiding over the matter in the Superior Court, had in August granted PHRT's request for a temporary restraining order [preventing NIS from removing any more scaffolding from the refinery](#). Since the matter was subsequently transferred and the case closed in St. Croix, it is unclear whether the TRO was still in effect subsequent to September 18, and if not, whether more of the scaffolding PHRT claims belongs to them has been shipped out of the territory.

Now that the matter has been remanded back to the Superior Court, it is also unclear when the case will be reopened.