

Venezuela's Refiner Citgo Asks U.S. Judge To Delay Auction Of Its Shares



Photo shows a Citgo refinery near Chicago.

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Citgo Petroleum Corp. is asking a federal judge to wait out a higher court ruling before auctioning off its assets to satisfy Venezuela's creditors.

The request, filed in federal court, is the first time Citgo has commented on longstanding litigation from unpaid creditors seeking to seize the oil refiner in lieu of payments for debts owned by its embattled parent, the government of Venezuela.

The company is asking for time to weigh in on the scramble to seize Citgo, Venezuela's largest U.S.-based asset.

"Citgo just showed up for its own funeral," said Jay Auslander, a partner at Wilk Auslander, whose practice focuses on judgment enforcement and distressed debt litigation.

Earlier this month, Judge Leonard P. Stark of the U.S. District Court in Wilmington, Del., authorized one of Venezuela's creditors to take control of shares of Citgo's U.S.-based parent company, the first step toward a sale of the company. Citgo is the only asset of its U.S.-based parent company PDVH, a subsidiary of Venezuela's state oil company Petróleos de Venezuela SA.

On Monday, Citgo asked that the judge delay the sale, pending the appeal and that he "hold a hearing on how to structure the process before asking the U.S. Marshals to wade into uncharted territory."

"Ascertaining the proper number of shares to be sold and the proper manner in which the sale should go forward so as to maximize value is a complicated task," Citgo wrote in a court filing, calling the magnitude of such a court-ordered sale "unprecedented."