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Fueling a Win: How Three Fifty Markets Secured Its Maritime Lien in the Fifth Circuit

In February 2026, the U.S. Court of Appeals for the Fifth Circuit issued a major decision that caught the attention of shipowners, bunker suppliers, charterers, and maritime lawyers around the world. The case – *Three Fifty Markets, Ltd. v. M/V ARGOS M, et al.* – is a masterclass in how maritime liens, bunker supply chains, and "no lien" clauses collide in modern shipping commerce.

What Triggered the Dispute?

Three Fifty Markets, Ltd., a UK based bunker trading company, supplied 800 metric tons of Very Low Sulphur Fuel Oil to the M/V ARGOS M at Las Palmas, Spain, in October 2022.

The bunker request originated from AUM Scrap and Metals Waste Trading LLC (AUM) in the UAE which was purportedly acting on behalf of Shimsupa GmbH, the vessel's time charterer through the broker BunkerEx.

The fuel was delivered, invoiced, and never paid for – not by AUM, not by Shimsupa, not by the owner Argos Bulkers, and not by the vessel manager Pontos Marine.

Three Fifty responded with the most powerful legal tool available to an unpaid bunker supplier: it filed for a maritime lien, and had the vessel arrested in New Orleans.

Central Legal Question: Did a Maritime Lien Exist?

Under U.S. law – specifically the Commercial Instruments and Maritime Liens Act (CIMLA) – a supplier of "necessaries" (like bunkers) can obtain a maritime lien if the order is placed by someone with actual or apparent authority from the vessel or

charterer.

The court focused on one issue, namely, did AUM have *apparent authority* to bind Shimsupa (the charterer), thereby allowing Three Fifty to claim a lien?

The Fifth Circuit said yes, affirming the lower court's decision.

Why the Court Ruled in Favor of Three Fifty Markets

1. AUM Appeared to Have Authority

The Fifth Circuit held that the evidence showed the following:

- AUM routinely purchased bunkers for vessels chartered by Shimsupa.
- The companies shared ownership and email infrastructure.
- The vessel's manager (Pontos) received the bunker order in advance and did not object.
- Shimsupa and AUM never objected to the order confirmation or the General Terms and Conditions (which incorporated a U.S. law choice-of-law clause and lien provision).

The court emphasized industry practice –bunker deals often happen rapidly, based on verbal confirmations and broker assurances.

2. The "No-Lien" Clause Didn't Save the Vessel

Although the charterparty included strict no-lien clauses, the court further held that such clauses only defeat liens if the supplier knows about them.Since Three Fifty had no such knowledge and the evidence suggested that even the vessel's commercial actors treated AUM as authorized to buy bunkers, CIMLA's protections still applied.

3. The Price Was Reasonable

Argos argued the bunker price contained an excessive markup.

The court disagreed and found the following factors justified the pricing:

- Market volatility
- Short turnaround time
- Credit risk

- Broker fees
- Typical industry margins

Key Takeaways for the Maritime Industry

1. Vessel Owners Must Actively Enforce No‑Lien Clauses

Simply placing a no‑lien clause in a charterparty is not enough.
Owners must either give direct notice to suppliers, or ensure their charterers communicate the no‑lien prohibition in writing. Otherwise, courts will likely uphold the supplier's lien.

2. Suppliers Can Rely on Brokers and Industry Practices

The court recognized that the realities of bunker trading include deals happening fast, brokers acting as intermediaries and phone calls and emails often substitute for formal vetting.

This decision strengthens the legal footing for bunker traders who rely on apparent authority.

3. Choice‑of‑Law Clauses Matter – A Lot

Three Fifty's GTCS incorporated a U.S. maritime‑lien framework. The Fifth Circuit validated this incorporation, which applied U.S. law, enabled arrest of the vessel in New Orleans and secured Three Fifty's right to a lien.

This illustrates the power of well‑crafted sales terms in global bunkering.

The Dissent: A Warning Shot

Judge Andrew Oldham issued a lengthy dissent, arguing that:

- The court skipped essential choice‑of‑law questions
- The charterparty between Argos and Shimsupa should have governed first
- No‑lien language might have rendered the entire bunker contract unenforceable
- The legal analysis was incomplete without first addressing the vessel owner's contract

This dissent signals possible future debate in U.S. maritime lien jurisprudence.

Why This Case Matters

This ruling reinforces the predictability and strength of U.S. maritime lien law, especially for bunker suppliers. It underscores the reality that:

If a supplier delivers fuel in good faith and without knowledge of a no lien clause, the vessel is at risk – no matter what the charterparty says.

We expect this case to be cited frequently in Bunkering disputes, Maritime lien enforcement, charterparty drafting and broker and supplier risk assessments

Conclusion

The *Three Fifty Markets v. M/V ARGOS M* decision is a powerful reminder of how layered and high stakes maritime transactions can be. It strengthens the rights of bunker suppliers, clarifies the role of apparent authority, and underscores the importance of proactive risk mitigation by vessel owners.

If you operate in the maritime, bunkering, or commodity trading space, this is a case you can't afford to ignore.

This blog post was drafted by Amy Mitchell, an attorney in the Houston office of Spencer Fane. For more information, visit spencerfane.com.

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