

**Kobre & Kim's Cross-Border Team**

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Cayman Court Dismissed Efforts to Freeze Assets in US \$270M Charitable Fund Dispute

A Cayman Islands court has dismissed liquidators' efforts to freeze remuneration paid to a professional director represented by Kobre & Kim in a dispute involving a US \$270M charitable fund structure, rejecting claims that he held traceable assets subject to a proprietary claim. The ruling underscores that injunctions are exceptional remedies requiring a credible merits case and reliable evidence.

A Cayman Islands court has dismissed an application for a wide-ranging proprietary injunction brought by liquidators in connection with a US \$270M charitable fund structure against a professional director represented by Kobre & Kim. The court rejected the liquidators' unsubstantiated assertions that the director held any traceable assets over which a claim asserting ownership of specific assets rather than a monetary remedy could be asserted. The court also denied efforts to freeze contractually agreed remuneration paid to him. The ruling underscores that injunctions—often sought on allegations of serious wrongdoing—remain exceptional relief and will not be granted absent a properly arguable merits case, credible evidence of wrongdoing, and appropriate safeguards to protect the respondent.

What Happened

Kobre & Kim represented a professional director who served on the boards of several companies within a charitable fund structure with assets exceeding US \$270M. The fund had been restructured to protect its charitable status and to counteract improper influence exerted by a U.S.-based ultra-high-net-worth settlor.

Following the restructuring, the company's liquidators applied for a proprietary injunction seeking, amongst other relief, to restrain the majority of the client's contractually agreed remuneration over the past four years. The application advanced broad allegations of

wrongdoing related to the fund's governance and the restructuring process.

The Cayman court dismissed the injunction summons in its entirety, finding that the applicants failed to establish any serious case to recover the client's remuneration, that the balance of convenience weighed against granting injunctive relief, and that the applicants had not offered a reliable cross-undertaking in damages or adequate fortification.

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What This Means

Injunction applications are often deployed as a pressure tactic in high-value cross-border disputes, even where the underlying claims are untested. This decision reinforces that such relief is exceptional and will not be granted without a credible merits case, reliable evidence of wrongdoing, and appropriate protections for the respondent. For directors, trustees, and fiduciaries operating in complex fund and trust structures, the ruling highlights the importance of early, strategic resistance to overreaching interim relief that can disrupt business, damage reputations, and constrain personal finances.

About Kobre & Kim

Kobre & Kim is a conflict-free global law firm focused on disputes and investigations, often involving fraud and misconduct. The firm:

- Can act in cases involving closely coordinated, cross-border proceedings in Cayman and BVI and across North and South America, EMEA, and Asia.
- Acts on behalf of creditors to monetize high-value bonds, loans, judgments, and arbitration awards.
- Has extensive experience handling restructuring-related disputes and issues on behalf of distressed debt and private credit investors.