



## Kobre & Kim's Cross-Border Disputes Team

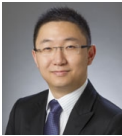
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# Decision Widens Door for Bondholders to Enforce



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**A Kobre & Kim client received a recent ruling by the New York Supreme Court that eases global bondholders' ability to monetize claims, including those involving bonds issued in offshore jurisdictions such as the Cayman Islands and the British Virgin Islands (BVI). In this client alert, a global team of Offshore and Onshore enforcement lawyers unpack the significance of the decision, and what it means for distressed investors around the world.**

A Kobre & Kim client received a recent ruling by the New York Supreme Court that eases global bondholders' ability to monetize claims, including those involving bonds issued in offshore jurisdictions such as the Cayman Islands and the British Virgin Islands (BVI).

### The Decision

Justice Joel Cohen of the Supreme Court of the State of New York found Zhu Xinli, the sole director of Huiyuan Juice subsidiary Huiyuan Beijing, personally liable for more than US \$114 million—the entire amount of the bond debt owed by the beverages group—to a creditor represented by Kobre & Kim.

After the company failed to make payments, Justice Cohen ordered Huiyuan Juice's Cayman-incorporated parent and several British Virgin Islands and Hong Kong-registered subsidiaries to turn over assets to satisfy the debt.

In addition to granting monetary claims to BFAM, the judge ordered ten China-incorporated subsidiaries of Huiyuan to replace their legal representatives with those of the creditor's choosing, an unprecedented judgment for bondholders with cross-border claims.

In an interview with [Global Restructuring Review](#) about the verdict, team lead John Han said: "Our client intends to pursue this matter until their rights are satisfied."

### What it Means for Bondholders

The decision means that bondholders increasingly have monetization options against recalcitrant debtors, including the ability to collect at par from well-heeled decision-makers when the primary obligors may be effectively insolvent, judgment-proof, or even already in bankruptcy proceedings.

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The decision follows a string of recent decisions in NY concluding that bondholders have legal standing to sue bond issuers directly without going through bond trustees. This means bondholders may no longer need to form groups to act and can quickly execute strategic decisions to outmaneuver targets.

Bond issuers could see creditors' speed of response to defaults decrease from years in some cases to months or even weeks. Many of the collective action barriers to enforcement could disappear, making New York bonds more easily monetizable.

For bond enforcement campaigns that have long languished under the uncertainty surrounding the enforceability of their claims in Cayman, BVI, and Hong Kong, this removes another barrier to executing aggressive, multijurisdictional strategies for monetization.

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This recent win follows a series of victories for the firm in 2024, including:

- Jury Awards Kobre & Kim Client US \$604.9 Million in Trade Secret Case
- Cross-Border Kobre & Kim Team Succeeds in Recovering Stolen Crypto Assets Worth Over US \$400 Million
- Kobre & Kim Successfully Enforces More Than US \$40 Billion of Cross-Border Judgments and Awards
- Kobre & Kim Wins London High Court Ruling After Korea's Challenge Against the Elliott Arbitral Award is Denied
- Kobre & Kim Clients Receive Favorable Ruling in Incora/Wesco Uptier Transaction
- New York Glory Health Decision Makes Enforcement of Bonds Issued by Cayman and BVI Companies Much Easier
- Precedent-Setting Win in Dubai Opens Doors for Global Creditors to Fight Fraudulent Conveyance in the Middle East
- Delaware Court Allows Claims Against AIG Over Credit Agreement to Proceed
- New York Court Opens Path for Global Bondholders to Bring Unilateral Claims Against Recalcitrant Bond Issuers
- New Pathways for International Creditors to Fight Fraudulent Conveyance in Dubai

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### 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, as well as across North and South America, EMEA, and Asia.
- Acts on behalf of creditors to monetize high-value bonds and loans, judgments, and arbitration awards.
- Has extensive experience handling restructuring-related disputes and issues on behalf of distressed debt and private credit investors.