



Kobre & Kim's Claim Monetization & Dilution Team



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Kobre & Kim Represents Debtors in Defending Against the Enforcement of More Than US \$10 Billion in Claims

Kobre & Kim regularly assists judgment debtors in managing the financial, legal, and strategic complexities that come with adverse judgments, arbitration awards, and defaults on bonds or loans. Facing an aggressive creditor often demands a coordinated, multijurisdictional response—one that deploys a robust set of cross-border tools, as outlined below by our team.

Kobre & Kim has effectively supported judgment debtors navigating the financial, legal, and strategic challenges associated with adverse judgments, arbitration awards, and defaulted bonds and loans. By mitigating enforcement risks while minimizing the need for significant financial outlays, the firm reduced the value of claims by more than US \$10 billion.

Withstanding a proactive creditor requires a coordinated, multi-jurisdictional approach leveraging an aggressive set of cross-border tools:

- **Asset & Enforcement Stress Testing:** Conducting simulations of potential creditor strategies across a debtor's global asset structure is essential. A thorough assessment of possible enforcement actions—and proactive, lawful planning—helps debtors prepare for and mitigate risks before they arise.
- **Cross-Border Enforcement Defense Strategies.** Debtors often face the rapid cross-border enforcement of judgments, making it essential to act quickly to contain risks that may spread to associated entities and individuals and across multiple jurisdictions. Creditors may also seek aggressive measures such as sweeping freezing orders and high-profile legal actions designed to intensify enforcement pressure. This calls for creative, coordinated defense strategies that can effectively deter and defuse such attacks.
- **Defensive Insolvency Strategies.** Judgment debtors may benefit from defensive insolvency tools across different jurisdictions when facing aggressive enforcement actions. These mechanisms vary in the relief they offer—for instance, lender super-priority, creditor compositions, or “soft-touch” provisional liquidations. The strategic use of these regimes can help dilute or delay enforcement efforts and provide critical breathing room when needed.

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- **Quarantining Liabilities.** As enforcement pressure intensifies, protecting key decision-makers and corporate structures becomes critical. This involves implementing liability quarantine strategies designed to shield directors, officers, and affiliates from the risk of personal or cross-entity exposure. Careful planning can help contain liabilities within designated entities and prevent enforcement actions from spreading beyond the core debtor.
- **Crisis Management.** Alongside legal efforts, working closely with communications professionals can help shape the public narrative and counter reputational attacks that may otherwise disrupt a debtor's business operations, access to capital, or critical stakeholder relationships.
- **Counter Offensive Strategies.** Investigating and taking action on creditor manoeuvres that cross the line between legitimate enforcement of legal rights and tortious interference with business expectancy, inducement of breach of contract, or other legal claims or torts, can be essential to an effective strategy.

Success in debtor representations campaigns requires a coordinated global approach, with subject matter experts across key legal centers, including both onshore and offshore financial hubs. To effectively withstand a proactive creditor pursuing its interests, debtors must engage in a creative strategies that operate at an aggressive pace.

About Kobre & Kim

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

- Acts on behalf of debtors, deploying proactive defensive and counter-offensive cross-border strategies against creditors in and out of court.
- Has deep experience defending against asset and in personam attacks.
- Is able to act in jurisdictions across North and South America, EMEA, Asia, and key offshore financial centers, strategically coordinating cross-border proceedings.