

# Insights



## Daniel Saval on Faraday Founder Jia Yueting's Evasive Bankruptcy Plan

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Kobre & Kim's Daniel Saval recently spoke with *The Wire China* on the bankruptcy of Jia Yueting, the founder of the electric car company Faraday Future.

Jia had plans to build a US \$1 billion factory in Nevada to build electric cars, but it never materialized. It turned out that the entrepreneur was saddled with personal debt and had created a network of affiliates and offshore entities. Soon, with China freezing his assets, new investors fleeing and Faraday's cash flow drying up, Jia filed for personal bankruptcy in the United States.

As part of his bankruptcy reorganization, Jia tried to convince his creditors to forgive his US\$3.7 billion debt in exchange for his stake in Faraday. Saval, who represents Shanghai Lan Cai, one of the creditors, described his reaction: "We believe he's using the bankruptcy to shield undisclosed assets held through nominee relationships and affiliated entities."

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