



Global Restructuring Review: Chinese Property Developer Fails to Dismiss NY Suit From BFAM and Other Bondholders Represented By Kobre & Kim

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An important ruling by a New York court, rejecting Chinese real estate developer Glory Health's efforts to dismiss a suit brought by BFAM and a group of bondholders represented by Kobre & Kim, found that beneficial owners may receive authorization from the registered holder to sue, as reported by *Global Restructuring Review*.

Glory Health missed payments on its US \$334 million bond and had sought to dismiss a lawsuit from BFAM and other global bondholders by arguing they were not the trustee or holders of the notes. The court disagreed, finding that authorization from Euroclear Bank, the clearing system for the notes, gave the bondholders standing.

GRR also noted that, at the time of filing last year, the bondholders alleged "highly suspicious" circumstances around the missed payments and had attempted to engage in good faith discussions with Glory Health without success.

The court has ordered Glory Health to respond to the complaint by April 1, 2024, and a pre-trial conference is scheduled for April 30, 2024.

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