



## News

Many of our engagements involve matters in which our clients face significant public attention. The following is a list of news stories about the firm, our clients, cases and the results we have achieved.

### **In Glory Health default, NY court hands down second decision affirming bondholder standing to directly enforce granting Kobre & Kim's motion for summary judgment**

April 22, 2025

In a second important ruling for global bondholders, a New York court has granted Kobre & Kim's motion for summary judgment again affirming bondholders' standing to directly enforce a global note issued by Chinese property developer Glory Health without going through the bond trustee. Justice Joel Cohen's April 8 ruling grants the bondholders' motion in full in the amount of more than US \$126M plus interest.

Glory Health challenged the bondholder's standing to enforce the defaulted note without going through the bond trustee. Kobre & Kim successfully argued that the bondholders were authorized to enforce the bonds directly by Euroclear, the clearing system for the notes. This is the second decision [March 2024] of its kind confirming bondholder standing to enforce defaulted notes directly, without the bond trustee.

In ruling in favor of the bondholders, Justice Cohen said at hearing that "Euroclear is not out there representing that it's going to enforce all of these notes. Euroclear is more of a procedural outfit. The brokers are really just there to facilitate, this is the way this is supposed to work, and ... it worked the way it was supposed to. ... [P]laintiffs have done what they needed to under the indenture to transform from being indirect holders to being the only entities that would have any incentive to and are permitted to enforce these notes."

"The NY court has now weighed in a second time holding that bondholders have standing to enforce their rights directly. Given the importance of NY law governed bonds in global distressed debt markets, this suite of decisions will have significant ramifications, including when the issue of bondholder standing is reexamined in Hong Kong, the Cayman Islands, and the BVI. The momentum of these authorities puts bondholders in the driver seat," said John Han of Kobre & Kim.

The NY court rejected arguments by the bond issuer that they were entitled to depose the principals of the bondholders, and that the issuer was precluded by PRC law from paying the defaulted notes.

The Kobre & Kim team included John Han, Geoffrey Derrick and Leif Simonson.

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### **About Kobre & Kim**

Kobre & Kim is a global litigation firm focusing on cross-border disputes and investigations, often involving fraud and misconduct. Our specialized, integrated product offerings allow the firm to address clients' underlying problems, whether legal, financial or reputational. For example, the firm has deep experience working with creditors and debtors in international claims litigation, strengthening our ability to deliver on both sides of these disputes. For ultra-high-net-worth individuals with global business interests, we deploy cross-border litigation and crisis management strategies to preserve assets, liberty, and reputation. We primarily act as special advocates in sensitive situations requiring independence and conflict-free advocacy.