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*Counsel to the Foreign Representatives*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

Three Arrows Capital, Ltd,<sup>1</sup>

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 22-10920 (MG)

**FOREIGN REPRESENTATIVES' NOTICE OF FILING OF  
DECEMBER 2, 2022 HEARING PRESENTATION**

Russell Crumpler and Christopher Farmer, in their joint capacities as the duly authorized foreign representatives (the "Foreign Representatives") of Three Arrows Capital, Ltd (the "Debtor"), hereby give notice of filing of the December 2, 2022 Hearing Presentation (the "Hearing Presentation"), attached hereto as **Exhibit A**.

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<sup>1</sup> The last four digits of the Debtor's British Virgin Islands company registration number are 0531. The location of the Debtor's registered office is ABM Chambers, P.O. Box 2283, Road Town, Tortola, VG1110, British Virgin Islands.

Dated: December 2, 2022  
New York, New York

Respectfully submitted,

/s/ Adam J. Goldberg

Adam J. Goldberg

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**EXHIBIT A**

**Hearing Presentation**



**In re Three Arrows Capital, Ltd.  
Case No. 22-10920 (MG)**

**December 2, 2022  
Hearing Presentation**

# Agenda

- Global Proceedings Update
  - Motion for Approval of Court-to-Court Communication Protocol
- Progress in Liquidation Efforts
- Founder & Investment Manager Discovery
  - Motion for Authorization to Issue Subpoenas
  - Motion for Authorization of Alternative Service

# Global Proceedings Update



## British Virgin Islands



Justice Small-Davis KC

- June 27, 2022 – Liquidation proceeding commenced
- October 11, 2022 – Application for approval of court-to-court communications protocol
- October 17, 2022 - Application for a discovery order against Founders under section 285 of the BVI Insolvency Act with hearing date on December 7, 2022

## Canada (Ontario)



Justice Conway

- October 7, 2022 – Application for recognition
- October 19, 2022 – Entry of order granting recognition application

## Cayman Islands



Justice Doyle

- November 18, 2022 – Application filed for recognition
- January 20, 2023 – Expected hearing on recognition

## United States



Judge Glenn

- July 1, 2022 – Chapter 15 case filed in Bankr. S.D.N.Y.
- July 12, 2022 – Entry of order granting provisional relief
- July 28, 2022 – Entry of order granting recognition of foreign main proceeding

## Singapore



Justice Coomaraswamy

- July 9, 2022 – Application for recognition and relief
- August 22, 2022 – Order granting recognition
- October 27, 2022 – Order approving court-to-court communications protocol
- November 30, 2022 – Orders granting discovery against Founders and former investment manager

## Seychelles



TBD

- November 2, 2022 – Application for recognition
- December 7, 2022 – Expected first mention hearing

# Progress in Liquidation Efforts

- **Asset Realizations (non-exhaustive)**
  - **Cash**
    - Liquidators have taken control of fiat currencies totaling USD \$35.6 million, which were held by Singapore banks and/or held by the Company's pre-appointment lawyers
    - Proceeds from forced redemptions of investments of USD \$2.751 million
  - **Exchanges**
    - Taken control of a number of the exchange accounts and received transactional history
  - **Tokens** (In excess of 60 types of crypto tokens have been identified)
    - Starkware – Liquidators purchased Starkware tokens on original deal terms
    - Recovered tokens are held in a digital currency custody account under the Liquidators' control and converted to USD as necessary (ETH converted at an average price of USD \$1,810)



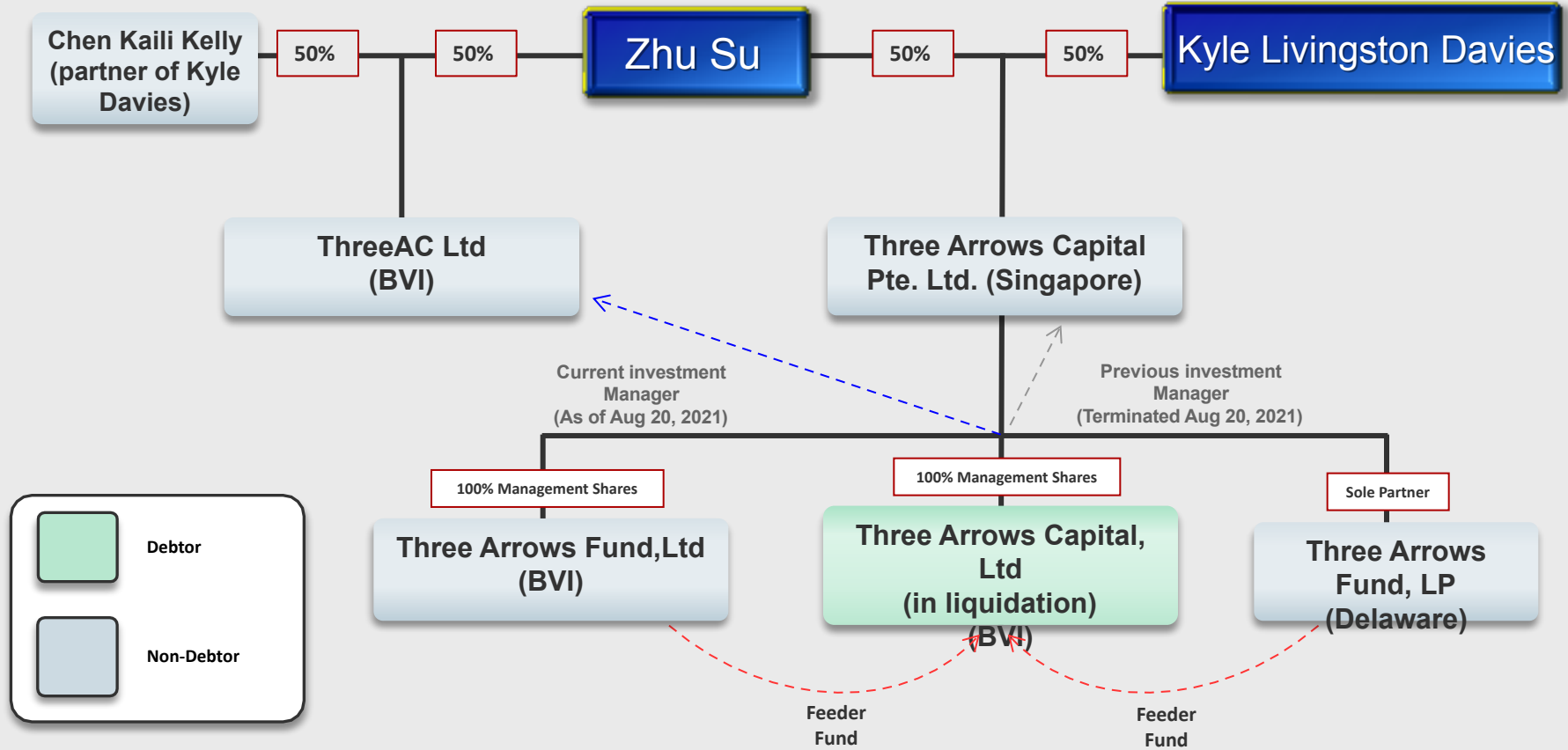
# Progress in Liquidation Efforts

- **Asset Realizations (non-exhaustive) (continued)**
  - **Sub portfolios**
    - Applications to the BVI Court have been filed for declaratory relief, seeking the Court's direction as to the rightful ownership of the assets in question relating to the sub-portfolios
    - The Liquidators have taken control of the Starry Night-related and other NFTs (~2000)
    - Undisputed assets taken under Liquidators' control
  - **SAFE / SAFT / Equity investments**
    - Approx. 180 Simple Agreement for Future Equity (SAFE), Simple Agreement for Future Tokens (SAFT) and equity investments identified which are understood to be illiquid and may be subject to lock up and/or vesting periods, automatic rights of redemption, right of first refusal, etc.
    - The Liquidators continue to explore options of extracting value from these investments
    - In the planning stages of commencing a marketing campaign for certain of the Company's unencumbered assets

# Progress in Liquidation Efforts

- **Other Sources of Recovery: Investments and Recovery Actions**
  - Counsel for the Liquidators has served subpoenas on 15 entities and has engaged with many others on an informal basis, resulting in numerous productions that aid investigations and asset recovery
  - The Liquidators are continuing in their efforts to take control of the various tokens and wallets; however, investigations continue where counterparties have not cooperated with the JLs to date
  - The Liquidators have applied for recognition orders in jurisdictions where counterparties have not voluntarily cooperated, and accounts / investments will be taken under the Liquidators control in due course. Those accounts have, however, been frozen.
  - Recovery actions against various counterparties are being commenced as investigations progress
  - The Liquidators have been investigating and recreating records of the Debtor through discussions and examination of former employee, service providers, and counterparties

# Organizational Structure



# Founders Repeatedly Fail to Engage

- On July 6, 2022, the Liquidators had an introductory Zoom call with counsel from Advocatus and Solitaire; the Founders were present, but their video was turned off and they remained on mute throughout the call
- The Liquidators have had only one other discussion with each of the Founders (Mr. Zhu and Mr. Davies)
  - Discussion with Mr. Zhu on August 11, 2022 via video teleconference
  - Discussion with Mr. Davies on August 26, 2022 via video teleconference
- The Liquidators have had limited discussions, predominantly over email, with the Founders' Singapore counsel
- Founders' limited cooperation has led to only cursory disclosures of assets and certain agreements
  - No transfer of a complete set of books and records (physical or electronic)
  - A communication protocol was agreed between the Liquidators and Founders but has not yielded satisfactory cooperation
- Founders have refused to accept service through their Singapore counsel
- Founders appear to be in Bali, Indonesia and/or UAE – jurisdictions known for difficulties in enforcing foreign court orders
- The Liquidators are aware that the Founders engaged security experts in mid-June 2022 to, among other things, establish secure communications between designated individuals that could be deleted

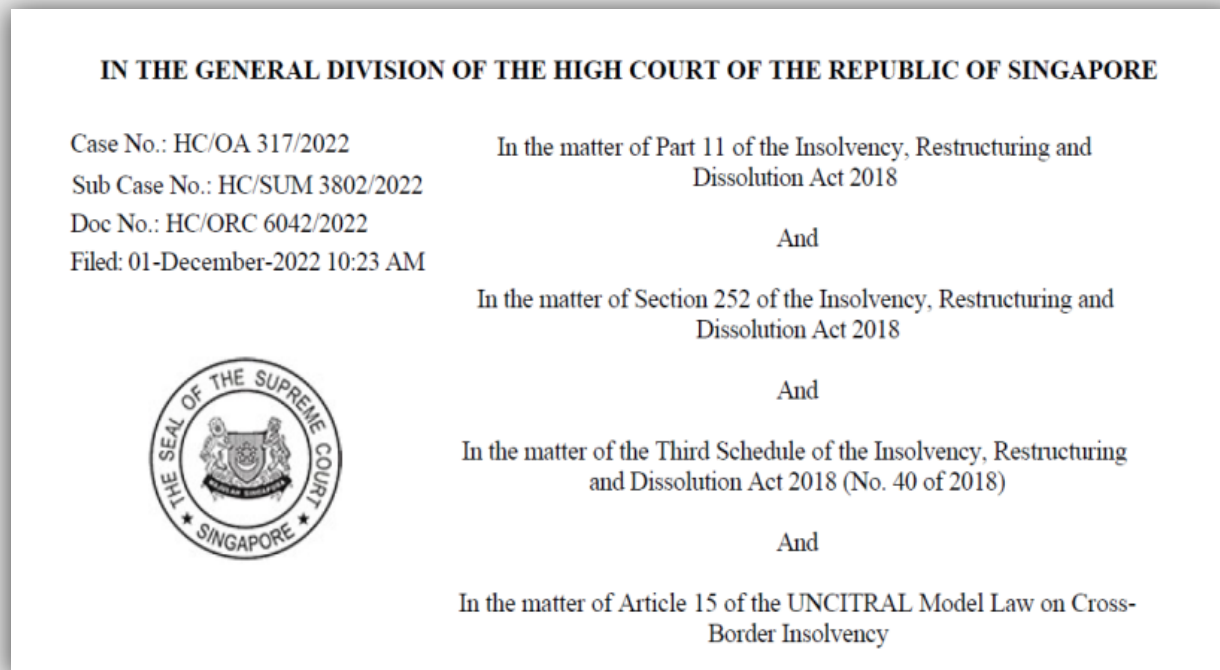
# Investment Manager Also Fails to Engage

- A claim form was submitted in the liquidation by ThreeAC Limited, the BVI Investment Manager, on July 15, 2022. The Liquidators contacted the Investment Manager and requested information, however, all of their correspondence has gone unanswered
- When the Investment Manager entity was transferred, all assets and employees remained the same
- The former Investment Manager produced certain login details for the Debtor's brokerage and trading accounts, as well as certain historical asset information
- Counsel to the former Investment Manager represented that it had provided all information and documents, which the Liquidators believe to be false
- When the Liquidators gained access to the Singapore office, most physical documents, servers, and hard drives had been removed
  - Remaining hard drives are being held pending a dispute with the former Investment Manager before the Singapore courts



# Singapore Court Ordered Discovery

- November 30, 2022 – Order granting discovery against Founders and former investment manager
  - Each must produce an affidavit on “dealings with Three Arrows Capital Ltd.” together with “all books, papers, or other records” in their possession



\* Singapore order filed on Chapter 15 docket on December 1, 2022 [Docket No. 67]

# Founders Engage With Media, But Not Liquidators

- Singapore counsel provided email addresses to contact the Founders; however, the Founders and their counsel have not been responsive to Liquidators' communications
- On July 22, 2022, the Founders gave an extensive interview to Bloomberg about the Debtor's collapse
- On Nov. 16, 2022, Mr. Davies appeared on CNBC to discuss the Debtor's bankruptcy proceedings and FTX's collapse
- Throughout these proceedings and as recently as Nov. 30, 2022,\* the Founders have been active and responsive to comments via Twitter:



\* Source: <https://twitter.com/mhonkasalo/status/1591603724887228419?s=20&t=McUuLQ4vAaBqstjo6WDPyA>



\* Source: <https://twitter.com/zhusu/status/1596730644020998145?s=20&t=McUuLQ4vAaBqstjo6WDPyA>



\* Source: <https://twitter.com/KyleLDavies/status/1591704190900109312?s=20&t=s22QTy9CvFz4ZNbP5EoVfQ>

\* Statement accurate as of Dec. 1, 2022.

**June 27, 2022**

BVI Proceeding commenced with entry of order in BVI Court ordering 3AC to liquidate its assets

**June 29, 2022**

Liquidators arrive in Singapore in effort to meet the Founders and Investment Manager (and gain access to Singapore office)

**July 1, 2022**

Chapter 15 case filed in Bankr. S.D.N.Y.

**July 12, 2022**

Entry of order granting provisional relief

**July 22, 2022**

The Founders give an extensive interview to Bloomberg

**July 28, 2022**

Entry of order granting recognition of foreign main proceeding

**Aug 3, 2022**

Liquidators' discussion with Mr. Zhu

**Aug 26, 2022**

Liquidators' discussion with Mr. Davies

**Oct 21, 2022**

Singapore offices first accessed, dispute ongoing

**Nov 16, 2022**

Mr. Davies appears on CNBC to discuss 3AC and FTX

**Three Arrows Founders Break Silence Over Collapse of Crypto Hedge Fund**

- Zhu, Davies say losses sparked by fund collapse 'regrettable'
- Creditors claim \$2.8 billion owed to them by Three Arrows

By Joanna Ossinger, Muyao Shen, and Yueqi Yang

July 22, 2022 at 1:26 AM CDT

From **Crypto**

After five weeks in hiding, the disgraced founders of **Three Arrows Capital** spoke extensively about the spectacular implosion of their once high-flying hedge fund, saying their bungled crypto speculation unleashed cascading margin calls on loans that should never have been made.

\* Source: <https://www.bloomberg.com/news/articles/2022-07-22/three-arrows-founders-en-route-to-dubai-describe-ltcm-moment#xj4y7vzkg?sref=3REHEaVI>



\* Source: <https://www.cnbc.com/video/2022/11/16/three-arrows-capitals-kyle-davies-blasts-ftx-over-the-collapse-of-the-crypto-hedge-fund.html>



Liquidators have sought communication with Founders and Investment Managers throughout the process



# Founders' Improper Conduct

- Multiple transfers have been identified to pay for the *Much Wow* superyacht directly from the Debtor's funds
- Contract to purchase *Much Wow* was terminated by shipbuilder due to non-payment of final amounts owed
- Liquidators have been appointed over the Cayman Islands entity, Much Wow Limited, to which the *Much Wow* was registered
- Proceeds from the sale of the *Much Wow* remain with the shipbuilder and will be distributed to Much Wow Limited
- Debtor has filed an interim claim in the Cayman Islands liquidation for USD \$30m (pending the outcome of further investigations)



\* Source: <https://sale.ruyachts.com/yachts/sanlorenzo/steel-displacement/52-steel/7-143-much-wow/>

# Founders' Calls for Truth Should Be Heard



**Kyle Davies** ▲ @KyleLDavies · Nov 24 ...  
It glosses over critical issues that have hurt people the most, and leaves a lot of questions unanswered about the criminal activity at your firms.

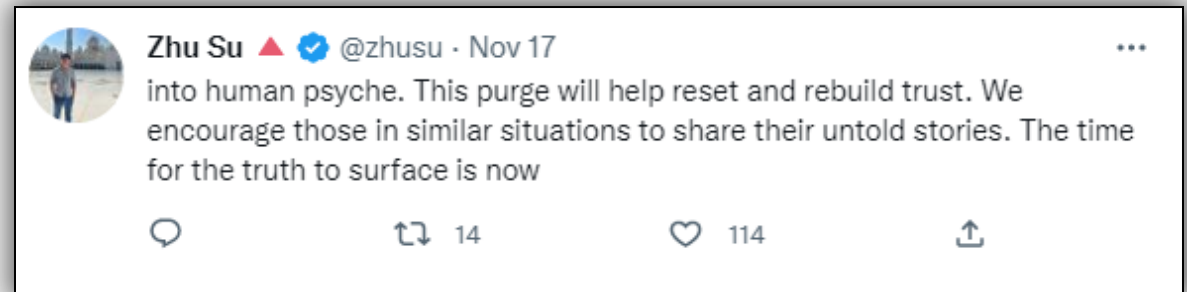
If you really have nothing to hide, let's chat, with transparency, in a forum where those you have inflicted pain upon, can tune in

1 32 293

[Show this thread](#)

**Kyle Davies** ▲ @KyleLDavies · Nov 24 ...  
.[@SBF\\_FTX](#) I know you've got a lot on your plate, but you've had the time to write multiple letters, and even sign up to a CNBC interview. At this point, the bias coming from MSM, in your support, is aptly recognized by most of crypto as staged.

1 227 1,462



**Zhu Su** ▲ @zhusu · Nov 17 ...  
into human psyche. This purge will help reset and rebuild trust. We encourage those in similar situations to share their untold stories. The time for the truth to surface is now

14 114

\* Source: <https://twitter.com/zhusu/status/1593455570236764160?s=20&t=d29AS1DDyvX5ITFimCCu3w>

\*Source: <https://twitter.com/KyleLDavies/status/1595687776984641536?s=20&t=v1bY4M2kXudxD4XFbEkP9w>