IN THE SINGAPORE INTERNATIONAL COMMERCIAL COURT OF THE REPUBLIC OF SINGAPORE

[2025] SGHC(I) 18

Originating Application No 5 of 2024 (Summonses No 26 of 2025)

In the matter of Part 11 of the Insolvency, Restructuring and Dissolution Act 2018

And

In the matter of Section 252 of the Insolvency, Restructuring and Dissolution Act 2018

And

In the matter of the Third Schedule of the Insolvency, Restructuring and Dissolution Act 2018

And

In the matter of the UNCITRAL Model Law on Cross-Border Insolvency

And

In the matter of the voluntary petition for relief in the United States Bankruptcy Court for the District of Delaware under Chapter 11 of Title 11 of the United States Code (11 U.S.C. § 101, et seq.), *In re Terraform Labs Pte. Ltd.*, Case No. 24-10070

And

In the matter of the Terraform Labs Pte Ltd

Terraform Labs Pte Ltd

… *Applicant*

And

(1) Adam Dulberger

(2) Angelo Rondello
(3) Aurelien Chevrier
(4) Benjamin Thompson
(5) Black Mandrill
(6) Black Pip Ltd
(7) Bryan Droznes
(8) Christopher Mege
(9) Damien Querbes
(10) Damien Riviere
(11) Enrico Michele Fratta
(12) Frederic Blanc
(13) Gabriel Nul
(14) Gauthier Benat
(15) Jordan Suchet
(16) Kashyap Patel
(17) Kyle Novak
(18) Nicolas Dequiedt
(19) Numa Collinet
(20) Raminder Singh Balbir Hora
(21) Remo Gentile
(22) Thomas Birnstiel
(23) Thomas Blanc
(24) Tristan Le Gac
(25) Yacine Najari

… *Non-parties*

GROUNDS OF DECISION

[Civil Procedure — Costs]

TABLE OF CONTENTS

Re Terraform Labs Pte Ltd (Dulberger, Adam and others, non-parties)

[2025] SGHC(I) 18

Singapore International Commercial Court —Originating Application No 5 of 2024 (Summons No 26 of 2025)
James Michael Peck IJ
6 May, 6 June 2025

11 July 2025

James Michael Peck IJ:

1 These grounds of decision address the court's resolution of SIC/SUM 26/2025 ("SUM 26"), an application by Terraform Labs Pte Ltd ("TFL") to strike out a related application, SIC/SUM 19/2025 ("SUM 19"), brought by the non-parties who belatedly attempted to join pending litigation against TFL docketed as SIC/OA 3/2024 ("OA 3" or the "Beltran Action").

2 TFL vigorously opposed SUM 19 and separately commenced SUM 26 to enforce a moratorium intended to stop claimants such as the non-parties from pursuing any claims against it that are inconsistent with the terms of TFL's plan of reorganisation under Chapter 11 (the "Plan"). The Plan has been confirmed by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") in its "Confirmation Order" and is recognised in Singapore under Art 21(1) of the UNCITRAL Model Law on Cross-Border Insolvency by way of s 252 and the Third Schedule of the Insolvency,

Restructuring and Dissolution Act 2018 (2020 Rev Ed) (the "SG Model Law") in SIC/ORC 13/2025 ("ORC 13" or the "Plan Recognition Order"). Factors considered by the court in having entered the Plan Recognition Order are described in *Re Terraform Labs Pte Ltd* [2025] 3 SLR 1516 (the "TFL Plan Recognition Decision").

3 The court granted TFL's application in SUM 26 (in part) after a hearing on 6 May 2025, striking out SUM 19 only as to TFL. The issue of costs was reserved subject to further submissions, which have since been filed by the parties. The court considered these further submissions and determined that a costs order of $74,200 against the non-parties (jointly and severally) as reimbursement to TFL for its legal efforts in pursuing SUM 26 to enforce ORC 13 was reasonable and proportionate.

4 These grounds not only serve to explain the court's reasons for the costs award, but also seek to highlight the consequences of any purposeful and intentional violation of protections granted to foreign debtors under orders entered in cases under the SG Model Law. Future instances of interference with recognition orders will expose any parties who take unjustified actions to costs awards, especially in cases such as this one where the adverse impact on the foreign debtor and its assets is directly related to a wilful violation of a court order meant to afford protections to the foreign debtor and to facilitate implementation of its restructuring plan.

Background in relation to SUM 26

TFL's financial difficulties and restructuring in the US

5 The genesis of TFL's financial difficulties and the circumstances of its restructuring in the Bankruptcy Court are discussed in the TFL Plan Recognition

Decision. TFL's Chapter 11 case in Delaware was recognised as a non-main proceeding under the SG Model Law on 30 May 2024. Thereafter, a massive jury award in favour of the US Securities and Exchange Commission and against TFL sealed its fate and rendered TFL hopelessly insolvent (at [52]–[53]). Negotiations followed to structure the Plan, which was confirmed by the Bankruptcy Court's Confirmation Order. TFL then took steps for the Plan and the Confirmation Order to be recognised in Singapore.

TFL's application for recognition and reliefs in Singapore

6 In SIC/SUM 57/2024 ("SUM 57"), TFL applied for recognition and reliefs under the SG Model Law. This application resulted in ORC 13, which granted recognition of the Plan and Confirmation Order in Singapore, as well as provided certain reliefs in aid of TFL's Chapter 11 case. Specifically, ORC 13 included an explicit injunction against commencing or pursuing adverse claims against TFL. ORC 13 was entered by the Registry on 28 January 2025, following a hearing on the merits in which counsel for a representative group of claimants acting for themselves and a total of 366 creditors of TFL (the "Beltran Parties", see *Beltran, Julian Moreno and others v Terraform Labs Pte Ltd and others* [2025] SGHC(I) 17 at [5]) participated in and tried to adjourn the proceedings by oral application. Arguments made in connection with the requested adjournment effectively converted the hearing into a contested proceeding. Accordingly, the court previously has considered issues related to claims made by the Beltran Parties in OA 3 against TFL as described at [9] to [11] of the TFL Plan Recognition Decision.

7 Notably for purposes of SUM 26, ORC 13 provided at paragraph 4 as follows (the TFL Plan Recognition Decision at [84]):

> No actions or proceedings concerning [TFL's] property, rights, obligations or liabilities (save for the proceeding in SIC/OA 3/2024) in respect of all claims that have been compromised under the Plan shall be commenced or continued against [TFL].

8 SUM 57 included some references to the treatment afforded to the Beltran Parties under the Plan. That treatment allows them to freely litigate their claims within OA 3, thereby distinguishing them from other creditors with somewhat similar underlying claims against TFL based on alleged crypto currency losses. The Beltran Parties have separate rights predicated on their ability to obtain a potential recovery from an escrow account created and funded by TFL as a condition to releasing an injunction that the Beltran Parties had succeeded in securing against TFL.

9 These rights of recourse to the escrowed funds were in place before commencement of TFL's bankruptcy case and have been preserved in the Plan exclusively for the benefit of the Beltran Parties. Any judgment or settlement resulting from prosecution of OA 3 is secured by these funds that have been deposited with the Singapore International Commercial Court in the amount of USD $56,948,675.49. Under the Plan, the escrowed funds are assets of TFL with the potential to be returned to TFL and redistributed to other claimants to the extent any of the funds are not needed to satisfy claims made by the Beltran Parties in OA 3. TFL, therefore, has an interest in whatever may be left in the account and a natural motivation to maximise that potential reversionary return.

10 The contingent right of the Beltran Parties to recover from the escrow was the reason their claims against TFL were separately classified and given more favourable treatment under the classification scheme of the Plan. By virtue of this vested right under Singapore law to share in the escrow, the claims of the Beltran Parties have been characterised as secured claims within class 3, but this

entitlement only extends to those individuals who were members of that class when the Plan was confirmed.

11 Other holders of so-called crypto loss claims who were not parties to OA 3 were not entitled to share in the escrow. These other claimants, including the non-parties, were classified under the Plan as members of class 5, an unsecured class with claims lacking a dedicated source of payment and with presently undetermined recovery percentages.

12 The distinction in rights granted under the Plan may superficially seem somewhat discriminatory from the point of view of class 5 claimants such as the non-parties who are not members of class 3. But the classification scheme makes perfect sense given the distinct rights that were created under Singapore law due to the pendency of the representative action (*ie*, OA 3) that was brought solely on behalf of the individual Beltran Parties and did not encompass other similarly situated investors like the non-parties.

13 The overall structure of the Plan is outlined in [65]–[68] of the TFL Plan Recognition Decision, and in [69], the court highlighted the preferred status afforded to the Beltran Parties as follows:

> The Beltran Parties have also been granted a preferred status in Class Three with allowed secured claims that may be freely pursued in Singapore. This demonstrates that the rights of the Beltran Parties have been recognized under the Bankruptcy Code and protected by the Bankruptcy Court. In practical terms, these claims were allowed to pass through the bankruptcy case without altering the legal or equitable rights of the Beltran Parties who are entitled to their day in court in Singapore and to whatever rights they may have with respect to the Singapore Escrow as determined by the Court in OA 3.

14 The TFL Plan Recognition Decision is foundational and sets the stage for the rulings of the court with respect to SUM 26.

Background in relation to SUM 19 and SUM 26

15 Subsequently, the non-parties, with knowledge of the entry of ORC 13, sought to be joined as additional parties to OA 3 (which was scheduled for trial in May 2025). The non-parties initiated SUM 19 shortly after the entry of ORC 13, in defiance of an explicit injunction prohibiting the commencement of claims against TFL in Singapore without first obtaining permission to proceed or clarification as to the scope and intent of the bar on claims (see above at [7] and also paragraph 5 of ORC 13 which provides that any person affected by the order has liberty to apply for orders and directions). The evident economic motivation of the non-parties in commencing proceedings so rashly was to improve their status as members of class 5 under the Plan and jump into class 3, *ie*, a class of secured claims entitled to share in proceeds of an escrow account set aside for the sole benefit of the plaintiffs in OA 3, *ie*, the Beltran Parties.

16 The non-parties were given fair warning that their application in SUM 19 seeking to be joined as plaintiffs in OA 3 constituted a breach of ORC 13.[1] They were placed on notice to withdraw SUM 19 or suffer adverse consequences, but they refused and persisted in pursuing that application. In response and as a way to enforce ORC 13, TFL commenced SUM 26 within OA 5 for an order striking out SUM 19. A hearing took place on SUM 26 on 6 May 2025, just one week prior to the date set for trial of certain substantive issues in OA 3. During the hearing on SUM 26, the court considered arguments from counsel for TFL and the Beltran Parties addressing both the merits of the original SUM 19 joinder application (that was to be heard by the presiding judge in OA 3 if not earlier resolved by this court) and the procedural questions presented in SUM 26.

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[1] Applicant's Cost Submissions dated 6 June 2025 ("ACS") at para 2.

17 The non-parties elected to rely on their written submissions rather than present additional arguments after hearing cautionary remarks from the court noting that SUM 19 appeared to be in breach of the mandatory language of ORC 13. The court stated on the record that it would be granting the relief requested in SUM 26 and would enter an order with appropriate wording to strike out SUM 19 as it relates to TFL. The court also urged the non-parties to withdraw SUM 19 as it relates to the other named defendants in OA 3.

18 The court reserved judgment on the award of costs sought by TFL pending submission of briefs by the parties if that issue could not be resolved by agreement of the parties. SUM 19 eventually was withdrawn by the non-parties as to all of the other named defendants in OA 3, and so the joinder application turned out to have been entirely unsuccessful and a wasted effort.

19 On 6 June 2025, TFL and the non-parties submitted their briefing and bundles of authorities on costs. A brief summary of their positions is set forth in the following paragraphs.

Summary of the parties' positions

20 TFL sought total costs of $74,200 to be awarded against the non-parties on a joint and several basis. This sum is comprised of (a) costs of SUM 26 amounting to $60,000; and (b) disbursements amounting to $14,200 (being the Singapore International Commercial Court hearing and milestone fees paid by TFL in connection with the filing of SUM 26 and of SIC/SUM 35/2025 which applied to the application of US counsel for the administrator of the Plan for permission to appear, participate and plead any matter in proceedings arising out of and in connection with OA 5, including SUM 26).[2]

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[2] ACS at para 2.

21 TFL submitted that the quantum of costs being claimed was reasonable for four reasons. First, the non-parties acted unreasonably in intentionally commencing SUM 19 in breach of ORC 13. Second, prior to filing SUM 26, TFL called attention to the injunction and invited the non-parties to withdraw SUM 19, which they refused to do. Third, the non-parties persisted in contending that SUM 19 was not commenced in breach of ORC 13, despite the unambiguous wording of the order and awareness that their claims were classified and compromised within class 5 of the Plan. Fourth, the non-parties did not make any serious effort to attempt to reach an agreement on costs with TFL.[3]

22 TFL further submitted that counsel expended substantial time and labour in reviewing SUM 19 and conducting SUM 26, which involved unique issues.[4] US counsel for the Plan Administrator was also involved.[5] SUM 26 had to be expedited due to the approaching trial in OA 3 in response to SUM 19 that was filed at the doorstep of the trial in an action that was started years ago on 7 September 2022.[6] The effort to join OA 3, thus, was untimely, costly and disruptive.

23 Finally, the costs sought by TFL were incurred and expended in direct response to aggressive tactics of the non-parties who have argued that SUM 19 did not violate the moratorium as to the second and third defendants in OA 3, an argument that masked their true purpose in bringing SUM 19 and the clearly central role of TFL. The non-parties only wanted to join OA 3 because they

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3 ACS at paras 5–6.

4 ACS at para 7.

5 ACS at para 8.

6 ACS at para 9.

wanted to reach funds held in the escrow deposit; joining OA 3 to pursue the second and third defendants would not give them recourse to the escrow (even if they were joined as plaintiffs and had succeeded in the action).[7]

24 The non-parties offered no persuasive rebuttals to an award of costs against them. They did not directly address or challenge the quantum sought by TFL or the legal entitlement of TFL to costs under the exceptional circumstances presented (*ie*, the pursuit of claims against TFL after entry of the Plan Recognition Order that caused TFL to respond and take reasonable steps to enforce the Plan and defend itself). Instead, the non-parties, figuratively at least, have chosen to throw themselves on the mercy of the court, pleading for judicial restraint in awarding costs and asking for sympathetic consideration of their circumstances. They present themselves as unfortunate investors who claim to have lost substantial sums on account of alleged misrepresentations made by TFL as to the safety and stability of certain proprietary crypto currency.[8]

25 In their submissions countering a costs award, they contended that SUM 19 was pursued with the benign intention to be joined to OA 3, to avoid duplicative proceedings and to seek justice on behalf of similarly aggrieved victims.[9] According to the non-parties, it only became clear to them during the hearing of SUM 26 that commencing SUM 19 against TFL was prohibited by ORC 13.[10] Given the earlier notice to discontinue SUM 19 and avoid costs, this excuse is hollow and unavailing. The non-parties through their solicitors knew

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7 ACS at para 6.

8 Non-parties' Cost Submissions dated 6 June 2025 ("NPWS") at para 10.

9 NPWS at para 7.

10 NPWS at para 13.

or should have known that they were acting at their peril and crossing into forbidden territory.

26 To mitigate exposure to a costs award, the non-parties also stated that their counsel showed restraint upon hearing comments from the court indicating that SUM 19 appeared to be an inexcusable breach of ORC 13. Counsel sought credit for having elected to rely on written submissions, for not prolonging the hearing by making an extended oral argument, and for later counselling the non-parties to withdraw SUM 19.[11] But the economic loss to TFL in having to defend itself had already occurred, and the retreat came too late to excuse the harm caused.

27 In arguing against costs, the non-parties urged that SUM 19 was not without merit given the overlap between the non-parties' claims and the Beltran Parties' claims in OA 3.[12] They asserted that allowing SUM 26 in part (striking out SUM 19 only as to TFL) meant that the merits of their application in SUM 19 were neither considered nor determined.[13] The court disagrees with this self-serving characterisation and concluded, as discussed below at [32] to [46], that SUM 19 was a poorly conceived and improvident litigation tactic that should never have been initiated and pursued.

Applicable principles in awarding costs

28 The award of costs in the situation presented seems to be without precedent, namely costs incurred by a foreign debtor as a direct consequence of an intentional violation of a recognition order under the SG Model Law. Despite

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11 NPWS at para 13.

12 NPWS at para 15.

13 NPWS at para 10.

the unusual context, the principles that apply to costs here are well established and justified under the circumstances (see "Guide to the Assessment of Costs in the Singapore International Commercial Court", 27 February 2024).

29 Order 22 rr 3(1)–(2) of the Singapore International Commercial Court ("SICC") Rules 2021 underpin the court's authority and discretion to award costs and states that:

> **Entitlement to costs and assessment of costs (O. 22, r. 3)**
>
> 3.—(1) Without affecting the scope of the Court's discretion in Rule 2(1), and subject to any provisions to the contrary in these Rules, a successful party is entitled to costs and the quantum of any costs award will generally reflect the costs incurred by the party entitled to costs, subject to the principles of proportionality and reasonableness.
>
> (2) In considering proportionality and reasonableness, the Court may have regard to all relevant circumstances, including —
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> (*a*) the complexity of the case and the difficulty or novelty of the questions involved;
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> (*b*) the skill, specialised knowledge and responsibility required of, and the time and labour expended by, the counsel;
>
> (*c*) the urgency and importance of the action to the parties;
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> (*d*) the number of counsel involved in the case for each party;
>
> (*e*) the conduct of the parties, including in particular —
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> (i) conduct before, as well as during the application or proceeding;
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> (ii) whether it was reasonable for a party to raise, pursue or contest a particular allegation or issue;
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> (iii) the manner in which a party has pursued or contested a particular allegation or issue; and
>
> (iv) whether the conduct of the parties, including conduct in respect of alternative

> dispute resolution, facilitated the smooth and efficient disposal of the case;
>
> (*f*) the amount or value of the claim;
>
> (*g*) the stage at which the proceedings were concluded;
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> (*h*) the existence of any offer to settle, the date the offer was made, the terms of the offer and the extent to which the claimant's judgment is more favourable than the terms of the offer to settle;
>
> (*i*) the existence of an agreement as to the amount of, basis for, or mechanics for, the determination of a costs award; and
>
> (*j*) the estimates provided in a costs schedule.

30 In substance, a successful party's entitlement to costs is to "whatever costs that had been sensibly and reasonably incurred by the successful party"; the award of costs under the SICC costs regime is "generally intended to restore or compensate the other party for the expense it had incurred in the legal proceedings as long as this has been incurred in *sensibly* mounting his claim or defence" [emphasis in original]. Therefore, costs are awarded on an indemnity basis, limited only to recovering the "reasonable costs" from the unsuccessful party (and not whatever costs the successful party has incurred) (*Senda International Capital Ltd v Kiri Industries Ltd* [2023] 1 SLR 96 ("*Kiri Industries*") at [32] and [52]).

31 The determination of reasonable costs involves a consideration of the factors in O 22 r 3(2) of the SICC Rules (*Kiri Industries* at [57]) and this test of reasonableness will be directed at costs that had in fact been incurred (and not what an appropriate level of costs to be incurred might be in a generic sense for a type of case similar to the one at hand) (*Kiri Industries* at [52]). The rationale behind the SICC costs regime is to ensure that a successful litigant would not be put out of pocket if it has prosecuted its claim or defence sensibly (*Kiri*

Industries at [51]). The approach to the assessment of reasonable costs, as set out in *Kiri Industries* at [100], is summarised as follows:

> (a) The starting point for the assessment of "reasonable costs" is just what costs were in fact incurred by the successful party, to the extent that such costs are "reasonable". This is an open-ended inquiry to be undertaken with due regard to the specific facts of the case at hand.
>
> (b) … [I]t is for the trial court that heard the matter to assess costs and it is also within the trial court's discretion to determine the manner in which costs are to be assessed …
>
> (c) When costs come to be assessed by the trial court, the legal burden is on the successful party to establish that its claimed costs are indeed "reasonable costs", and it must provide information to show how the claimed costs had been incurred and thereby allow the unsuccessful party and/or the court to assess whether they are reasonable …
>
> (d) Upon the successful party providing a sufficient breakdown of its claimed costs, the evidential burden shifts to the unsuccessful party to adduce evidence in rebuttal …

The decision

32 In coming to the decision to award, in full, the costs sought by TFL, the court was satisfied that TFL had established that the costs award it sought, *ie*, $74,200 (comprising $60,000 in the costs of SUM 26 and disbursements amounting to $14,200) against the non-parties jointly and severally, was reasonable and that the non-parties did not successfully rebut these claimed costs. The fact that the litigation position of the non-parties caused economic harm to TFL to the potential detriment of other stakeholders is a special circumstance that cannot be disregarded. TFL's resources have been wasted needlessly, and the costs awarded when recovered will restore what has been lost.

33 The court was guided by factors (*a*)–(*e*) and (*g*) of O 23 r 3(2) of the SICC Rules 2021 (above at [27]). These largely corresponded to TFL's

arguments (above at [21]–[23]). The court found that the award sought by TFL (particularly legal expenses in pursuing SUM 26), was reasonable for three reasons.

34 First, SUM 26 was part of a broader cross border restructuring of TFL. Despite the straightforward legal questions, pursuing SUM 26 nevertheless required coordination with the defence of SUM 19 and the investment of time and effort from both Singapore and US counsel for TFL, particularly in addressing issues unique to TFL such as the interpretation of the Plan and ORC 13 and their connection to OA 3. SUM 26 involved the enforcement of this court's Plan Recognition Order and implicated the Plan's structure and implementation.

35 Second, TFL's solicitors were not only required to expend significant effort in opposing SUM 19 and preparing for SUM 26 but were also compelled to respond to this challenge to the settled structure of the Plan in a compressed time period, against the backdrop of a fast-approaching trial for OA 3.

36 Third, and most strikingly, SUM 19 should not have been brought by the non-parties at all. The conduct of the non-parties in pressing ahead with SUM 19 was an unreasonable breach of ORC 13. Although it is also enshrined in factor (*e*) of O 22 r 3(2) of the SICC Rules 2021, as a matter of general law, it goes without saying that raising issues or making allegations improperly or unreasonably would be a factor relevant to the determination of costs (see, generally, *Raffles Town Club Pte Ltd v Lim Eng Hock Peter and others (Tung Yu-Lien Margaret and others, third parties)* [2011] 1 SLR 582 at [34] – [36]).

37 In pursuing SUM 19, the non-parties must have known that it was an extreme long shot at best. Before incurring costs of litigation, TFL gave notice

to the solicitors for the non-parties that their application to join OA 3 constituted a violation of ORC 13. TFL offered the opportunity to withdraw SUM 19 voluntarily to halt the litigation, avoid expenses and escape liability for a potential costs award.

38 The non-parties rejected that offer and, in the process, assumed the risk of paying the price for their own audacity and being held financially responsible for TFL's costs. They had formal notice that pursuing SUM 19 would violate ORC 13 and were offered a risk-free exit from a litigation strategy fraught with foreseeable risk. The non-parties unwisely rejected the off ramp proposed by TFL and chose to charge ahead with knowledge of potential exposure to an award of costs being assessed as a direct and foreseeable consequence of their intentional conduct.

39 The non-parties really should have understood that this tactic had almost no chance of success from the start. The Plan is fixed in its structure and not capable of being modified by having the non-parties leapfrog into class 3 simply by being admitted as claimants in OA 3. Class 3 of the Plan is composed of the representative parties that had rights to the escrow as of the date when the Plan was structured. That class cannot be reimagined, redefined and expanded without also amending the Plan. It is too late for such an amendment without obtaining the consent of the proponents of the Plan and approval of the Bankruptcy Court just as it has proven to be too late for the non-parties to become claimants in OA 3.

40 SUM 19, when considered independently, appeared to be without merit. It was filed close to the eve of trial and had elicited strong opposition from TFL, the other defendants and the Beltran Parties. The non-parties faced very heavy

head winds even without regard to the formidable procedural hurdles raised in SUM 26.

41 Thus, SUM 19 from the outset appeared to be a losing proposition, even without the insurmountable bar to relief set forth in the Recognition Order. The non-parties were seeking relief that begs the question: what did they reasonably believe could be accomplished here? For reasons known only to the non-parties and their counsel, they nonetheless persisted in their efforts to circumvent the effect of the confirmed Plan after entry of the Plan Recognition Order, and this led TFL to incur recoverable costs in enforcing ORC 13 by commencing and pursuing SUM 26.

42 As for the non-parties' case with respect to costs, they failed to mount a convincing rebuttal to TFL's submissions for the costs award. They did not contest the calculation of sums by TFL and contended unconvincingly that SUM 19 was filed in good faith. They acted at their peril in pressing their application to join OA 3 despite having been warned that their chosen path was legally impermissible.

43 Further, their ability to maintain SUM 19 against the second and third defendants in OA 3 was, as TFL has argued, beside the point since their sole commercial goal in trying to join OA 3 was to gain potential access to TFL's escrow, an objective that could not be achieved by proceeding against the other defendants. The non-parties' efforts to justify themselves fell flat and failed to explain their wilful or reckless actions in violating ORC 13.

44 All that remained was a plea by the non-parties for leniency. The non-parties asked to be excused from the consequences of having violated the Plan Recognition Order and having tried, unsuccessfully and seemingly unwisely, to

override the binding classification scheme and distribution provisions of the Plan.

45 They said that they sustained losses in their dealings with TFL and asked for a light touch in awarding costs for that reason. While their claimed losses from crypto transactions are unfortunate, such losses were not mitigating factors in this instance and were experienced by all claimants against TFL. Their actions in seeking to be joined as parties to OA 3 quite plainly were prohibited under the plain language of ORC 13 and never should have been attempted in the first place. Violating that order in this way caused harm to TFL, and TFL was entitled to be made whole.

46 At its core, SUM 19 was wilful, wasteful and ill-conceived. The relief granted in the Plan Recognition Order, including the injunction in paragraph 4 of that order barring claims against TFL that were compromised under the Plan, contemplated protecting TFL from the burden of having to deal with and contest precisely the same sort of claims as those contemplated by SUM 19.

Conclusion

47 For the reasons set forth in this decision, the court has granted in full the costs award of $74,200 sought by TFL against the non-parties, jointly and severally. The non-parties are scattered in multiple jurisdictions outside of Singapore, and it is unclear why they decided to pursue SUM 19 and to continue the pursuit of that application despite the obvious risks. It is unknown whether the non-parties understood that their efforts to join OA 3 would likely end in failure with an award of costs.

48 The decision to award costs in the sum requested by TFL is supported by applicable law and is a proper outcome under the circumstances. A

recognition order entered by this court was knowingly and intentionally (perhaps flagrantly) breached, and that should not have happened.

49 Orders that recognise foreign restructurings such as ORC 13 must be respected and strictly observed. That is such an abundantly clear proposition that it should not need to be stated or repeated here. Yet the fact that SUM 19 was filed without seeking leave of court or a carve out from the restrictions of ORC 13 indicates that the non-parties and/or their counsel have missed this obvious point.

50 Accordingly, the court made the following orders:

> 1. The non-parties' application in [SUM 19] dated 20 March 2025 to be joined as claimants to [OA 3] as against [TFL], was commenced in breach of [ORC 13].
>
> 2. SUM 19 is struck out and dismissed as against TFL.
>
> 3. No party may take any step to become a party to, or otherwise participate in, OA 3 against TFL, without obtaining leave to be excluded from the stay ordered in ORC 13.
>
> 4. TFL and any person affected by this order be at liberty to apply for further orders as may be necessary.
>
> 5. Costs and disbursements of S$74,200 altogether are to be paid by the non[-]parties jointly and severally to TFL.
>
> Date of order: 6 May 2025 (paragraphs 1 to 4) and 19 June 2025 (paragraph 5).

James Michael Peck
International Judge

Rajan Menon Smitha, Felicia Soong, Kajal Bhatia (WongPartnership LLP) for the applicant;
Mahesh Rai, Daniel Loh (Drew & Napier LLC) for the Beltran Parties in SIC/OA 3/2024;
Gerard Quek, Chua Ze Xuan (PDLegal LLC) for the non-parties;
Michael Williams, Casey McGushin, Akhil Gola, Elizabeth Jones (Kirkland & Ellis LLP) for the plan administrator (watching brief);
Germaine Teo (Oon & Bazul LLP) for Mr Kwon Do Hyeong in SIC/OA 3/2024 (watching brief);
Fong Shi-Ting, Fay (Allen & Gledhill LLP) for the US Securities and Exchange Commission (watching brief);
Tan Chee Meng SC, Paul Loy (WongPartnership LLP) for Terraform Labs Pte Ltd in SIC/OA 3/2024 (watching brief).