Neutral Citation Number: [2025] CIGC (FSD) 116

Cause No: FSD 2025-0268 (JAJ)

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

BETWEEN:

CORE FOUNDATION

Plaintiff

-and-

(1) MAPLE INTERNATIONAL OPERATIONS SPC
(2) MAPLE INTERNATIONAL OPERATIONS SPC
(Acting on behalf of and for the account of its BTC STAKING SEGREGATED PORTFOLIO 1)

Defendants

Appearances:	**Mr Jonathon Milne, Ms Alecia Johns and Ms Tonicia Williams of Conyers, Dill & Pearman LLP for the Plaintiff** **Mr Bhavesh Patel and Mr Bryan Little of Travers Thorp Alberga for the Defendants**
Before:	**The Honourable Justice Jalil Asif KC**
Heard:	**10 October 2025**
Ex tempore judgment delivered:	**10 October 2025**
Finalised judgment approved:	**2 December 2025**

Civil procedure—injunction—application to vary—whether need shown for defendant to deal with specific frozen assets in the ordinary course of its business—whether to vary terms of injunction

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JUDGMENT

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1. This is my judgment in cause FSD 2025-0268 on a summons filed by the Defendants on 6 October 2025. On 26 September 2025, I heard an *ex parte* summons filed by the Plaintiff. With some hesitation, I allowed the summons to proceed on an *ex parte* basis on the grounds that there was a real risk that the Defendants might frustrate the purpose of the application if they were given notice in advance. At the conclusion of the hearing, I granted an injunction against the Defendants.

2. I do not need to go into the details of the Plaintiff's claim. For present purposes, it is sufficient to say that the Plaintiff alleges that the Defendants have breached certain agreements between them to develop a product to allow investment returns to be generated on the back of certain kinds of cryptocurrencies, and the Defendants deny that they have done so. Since I granted the injunction, and as required in the contractual documents, the Plaintiff has commenced an arbitration against the Defendants in respect of the substantive dispute between them.

3. The injunction that I ordered is in the following material terms. Paragraph 2 reads:

> *"2. Except with the prior written consent of the Plaintiff, the Defendants are restrained and prohibited until the Return Date or further order and whether acting directly or indirectly, and whether by themselves, their directors, officers, servants, agents, affiliates (including but not limited to Maple Labs Pty Ltd and Maple DAO) or otherwise howsoever:*
>
> *a) from using, disclosing or further disseminating the Plaintiff's Confidential Information (as defined in the Commercial Agreement between the parties dated 28 May 2025);*
>
> *b) from launching, marketing or promoting products that cannibalize commercial viability or Total Value Locked of lstBTC or the BTC Dual Staking Yield Product (including but not limited to syrupBTC and any successor or variant thereof);*
>
> *c) from liquidating CORE token positions or otherwise dealing with CORE tokens in their possession (including, without limitation, spot transactions, purchases or sales, derivative transactions, perpetual futures, options, swaps, forward contracts, contracts for difference, staking or unstaking, lending or borrowing, or any synthetic, structured, or other instrument designed to provide, hedge, transfer, or replicate economic exposure to CORE); and*
>
> *d) from entering into any arrangement that has the purpose or effect of altering the value, ownership, or control of CORE tokens."*

4. Paragraph 3 of the Order provides liberty to apply to discharge or vary the Order on not less than three days' written notice.

5. By their summons filed on 6 October 2025, the Defendants seek to exercise their right to apply to set aside or vary the Order. The summons is for the following relief:

> *"1. That the Plaintiff fortifies its cross undertaking in damages to the satisfaction of the Court by demonstrating it holds liquidity of over US $20 million in cash or stable coins;*
>
> *2. That the Injunction Order dated 26 September 2025 that was obtained ex parte by the Plaintiff […] be discharged in its entirety (with appropriate indemnity cost orders being made against the Plaintiff);*
>
> *3. In the alternative, that the Injunction Order be varied as follows:*
>
> *a. the words* 'marketing or promoting' *be removed from Paragraph 2(b) of the Injunction Order;*
>
> *b. Paragraph 2(c) of the Injunction Order be amended to read:*
>
> *'from liquidating CORE taken positions or otherwise dealing with CORE tokens in their possession (including, without limitation, spot transactions, purchases or sales, derivative transactions, perpetual futures, options, swaps, forward contracts, contracts for difference, staking or unstaking, lending or borrowing, or any synthetic, structured, or other instrument designed to provide, hedge, transfer, or replicate exposure to CORE, subject to the following exceptions:*
>
> *(i) The Defendants may exercise Put Options in respect of CORE tokens in accordance with the terms of the Master Trading Agreement dated 27 February 2025 […], and the Plaintiff shall indicate within 1 business day of receipt of the Notice to exercise a Put Option whether it will make payment to repurchase the CORE tokens under that Put Option;*
>
> *(ii) If the Plaintiff indicates that it will not repurchase the CORE tokens under a Put Option in accordance with paragraph 3(b)(i) above or fails to respond to the Notice at all, the Defendants may deal howsoever they wish with the CORE tokens that it held Put Options in respect of.*
>
> *c. paragraph 2(d) of the injunction order shall be deleted in its entirety."*

6. At the time that they communicated with the Court and provided a copy of the summons, the Defendants indicated that the time estimate for hearing the summons should be two hours. They sought to have it listed on either 9 or 10 October 2025. I did not consider that the Defendants' time estimate was realistic and I indicated that to the parties at the time. On 7 October 2025, the Defendants proposed that paragraphs 3(b) and (c) of their summons should be determined urgently on 9 or 10 October 2025, and the balance of their summons should be heard at a later date: in other words, the Defendants were seeking to limit the issues to be determined urgently to the proposed variation of the Defendants' ability to deal with CORE tokens and to put off for a later date their intended application to discharge the injunction in its entirety. The Defendants' explanation for that urgency is that they

say they have various repayment obligations to lenders due to crystallize on 15 October and 19 November 2025.

7. Whilst the Plaintiff sought to persuade me not to accede to the Defendants' request to list the matter for an urgent hearing, I considered that it was necessary and appropriate to do so given that:

   7.1 the Order was obtained without notice;

   7.2 the Order expressly allowed the Defendants to apply to set it aside or to vary it on three days' notice;

   7.3 the Defendants were contending that the Order was having a crippling effect on their business; and

   7.4 the Defendants were contending that the variation sought was extremely time sensitive as a result.

8. The matter therefore came before me on 10 October 2025, to hear the Defendants' application under paragraphs 3(b) and (c) of their summons only, with the balance of the summons to be adjourned and heard on 27 and 28 October 2025.

9. In addition to the affidavits and exhibits that were prepared in support of the *ex parte* application for the injunction, the materials before me have been supplemented by an affidavit and exhibit of Mr Joseph Flanagan sworn on 7 October 2025 on behalf of the Defendants; a second affidavit of Mr Flanagan and its second exhibit also sworn on 7 October 2025; and an affidavit and exhibit of Mr Richard Rines on behalf of the Plaintiff, sworn on and filed on 8 October 2025.

10. In addition, I have had the benefit of very helpful skeleton arguments, admirably brief on both sides, and the benefit of oral submissions from Mr Bhavesh Patel of Travers Thorp Alberga, who has appeared for the Defendants today, and from Mr Jonathon Milne of Conyers Dill & Pearman, who has appeared for the Plaintiff, as he did on 26 September 2025.

11. I record at the outset that there have been some unfortunate issues with the evidence that is before me, or the materials before me – strictly some of these are not evidence at this stage – in particular certain pages within one of Mr Flanagan's exhibits appeared to have been changed or substituted

since the affidavit was sworn without the affidavit being re-sworn or the exhibit being appropriately updated and re-sworn. In addition, documents have been included in the Defendants' bundle and referenced in the Defendants' skeleton argument or annexed to it without those documents being properly put into evidence. The Plaintiff complains about this, understandably, and Mr Patel on behalf of Defendants indicated, and I accepted his undertaking during the hearing, that the Defendants will take steps to regularise the position regarding the evidence.

12. The Defendants' complaint can be summarised from paragraphs 1 and 2 of their skeleton argument as follows. The Court gave liberty to apply to discharge or vary the injunction Order on not less than three days' written notice under paragraph 3 of the Order. The Defendants say that they seek a careful and circumspect variation to the injunction Order in order to preserve the functional status quo and to protect third parties who will be negatively impacted by the injunction. The reason for this variation being required on an urgent basis is that the Defendants have repayment obligations that fall due on 15 October 2025, and unless they are able to deal with at least that number of CORE tokens that are subject to put options that (1) fell due on 30 September 2025, or (2) will fall due on 15 October 2025, the Defendants and their third party creditors will suffer severe financial damage which, added to the consequent reputational damage to the Defendants, could destroy the Defendants' business.

13. Reading on in the Defendants' skeleton argument, Mr Patel suggests that the Court has to assess two questions when considering the present application. First of all, would damages be an adequate remedy for any losses suffered? Secondly, where does the balance of convenience lie? Will the variation cause a change in the balance of convenience? Mr Patel reminds me of the Privy Council's decision in *National Commercial Bank of Jamaica v Olint Corp Ltd* [2009] UK PC 16, which has been applied in the Cayman Islands, for example, in *Ascentra Holdings Inc v Yoshida* [2024] 1 CILR 409.

14. In *National Commercial Bank v Olint*, Lord Hoffman expressed the balance of convenience test, in its most basic form, as being that the court should take whichever course seems more likely to cause the least irremediable prejudice to one party or the other. Mr Patel points out in paragraph 6 of the Defendants' skeleton argument that when assessing the balance of convenience, regard must also be had to third parties: where the injunction results in interference with the performance of a contract between a third party and the defendant, which relates specifically to the assets in question, the right

of the third party in relation to his contract must prevail over the plaintiff's desire to secure the defendant's assets for himself until judgment. Mr Patel relies on *Galaxia Maritime SA v Galaxia Maritime SA v Mineralimportexport* [1982] 1 All ER 796, applied in the Cayman Islands in *JP Morgan Multi-Strategy Fund LP v Macro Fund Ltd* [2002] CILR 569. Mr Patel sets out a passage from Kerr LJ's judgment in *Galaxia* at page 799j where Kerr LJ said:

> *"A plaintiff seeking to secure an alleged debt or damages due from the defendant, by an order preventing the disposal of assets of the defendant, cannot possibly be entitled to obtain the advantage of such an order for himself at the expense of the business rights of an innocent third party, merely by proffering him an indemnity in whatever form."*

15. Finally, as far as the authorities are concerned, it is useful at this stage to refer to a passage in the well-known judgment of Popplewell J in *Fundo Soberano de Angola v dos Santos* [2018] EWHC 2199 (Comm). At paragraph 86(6), Popplewell J (as he then was), said this:

> *"(6) What must be threatened is* unjustified *dissipation. The purpose of a freezing order is not to provide the claimant with security; it is to restrain a defendant from evading justice by disposing of, or concealing, assets otherwise than in the normal course of business in a way which will have the effect of making it judgment proof. A freezing order is not intended to stop a corporate defendant from dealing with its assets in the normal course of its business. Similarly, it is not intended to constrain an individual defendant from conducting his personal affairs in the way he has always conducted them, providing of course that such conduct is legitimate. If the defendant is not threatening to change the existing way of handling their assets, it will not be sufficient to show that such continued conduct would prejudice the claimant's ability to enforce a judgment. That would be contrary to the purpose of the freezing order jurisdiction because it would require defendants to change their legitimate behaviour in order to provide preferential security for the claim which the claimant would not otherwise enjoy."*

16. The relevance of that last passage is that Mr Patel submits that, in essence, the Plaintiff has obtained a freezing order by the back door. In support of that submission, Mr Patel points out that a large proportion of the CORE tokens in question which the Defendants have been prohibited from dealing with by the injunction Order are actually owned by the Defendants, not by the Plaintiff. On that basis, Mr Patel says that, effectively, the Court has granted an order which is equivalent to a freezing order but without going through the appropriate procedural requirements for making such an order. Mr Patel accepts that argument is an argument for another day, but he does rely on the *Fundo Soberano v dos Santos* authority to seek to persuade me that, at least for the purpose of the variation application, the Defendants should be allowed to continue to deal with the CORE tokens in the ordinary course of their business, which Mr Patel says is to borrow and lend such tokens in order to earn a return for the Defendants' investors. As a consequence of that, Mr Patel says that the terms and scope of the

injunction Order should be varied to avoid inappropriate interference with the Defendants' ordinary course of business.

17. Moving on from that, the Defendants say that damages would be an adequate remedy for the Plaintiff on the basis that: firstly, the Plaintiff's primary claim in the arbitration is for breach of contract relating to misuse of allegedly confidential information. The Defendants say that even if the Plaintiff were to succeed in the arbitration, the Plaintiff would not automatically have CORE tokens returned to it: at least, the Plaintiff would not have the CORE tokens returned that the Defendants have purchased, and so the relief the Plaintiff seeks in the arbitration would not be impacted by the number of CORE tokens that the Defendants hold at that particular time.

18. Secondly, the Defendants say that the orderly unwinding of the CORE tokens, which is the relief that is sought in the arbitration, is precisely what the variation to the injunction is intended to permit to happen. Indeed, the Defendants say refusing the variation sought would likely prevent an orderly unwinding by causing reputational damage to the CORE dual staking project when investors' Bitcoin is liquidated instead of a structured sale of CORE tokens.

19. Finally, the Defendants say that damages would be an adequate remedy for the Plaintiff because any reduction in the value of the CORE tokens that would arise from the Defendants' dealing with the limited number of tokens that they intend to deal with pursuant to the requested variation of the injunction, is readily quantifiable and could be compensated by damages to be ordered in due course by the arbitral tribunal. On the other hand, the Defendants say that the harm they will suffer if the variation of the injunction is not granted could not be compensated by damages because it risks reputational damage and potential insolvency of the Defendants, which may be irreparable or, at the very least, difficult to quantify.

20. Mr Patel submits that trades would be made by the Defendants in a manner to minimise the risk of adverse impact on the price of CORE tokens. He is keen to stress that it is in both parties' interest to protect the price of CORE tokens as far as possible. He says that the Defendants will continue to hold at least 40 million CORE tokens with a significant value, even if they are allowed to make the trades that they wish to make. He says that the CORE tokens to be traded are less than 1% of the tokens in circulation and less than the average daily trading volume, or at least the trading volume on a

particular date demonstrated by a chart included in the bundle by the Defendants. He says that the Defendants intend to use a time-weighted average price algorithm to spread trades over time to minimise the effect of any disposal on the market price of the CORE tokens. I record here that the intended use of such an algorithm is asserted in the Defendants' skeleton argument but is not included in the Defendants' evidence before me. Mr Patel relies on those factors to support the argument that I should allow the variation to the injunction because damages would be an adequate remedy for the Plaintiff.

21. The trading chart inserted into Mr Flanagan's exhibit after it was sworn shows a trading volume over a 24-hour range of over US $26 million and a price for CORE tokens of just under US $0.40, which tends to suggest a daily trading volume of around 66 million CORE tokens. The information in that chart, whilst it is not properly before me in evidence, does appear to be consistent with Mr Patel's submission on behalf of the Defendants that the volume of tokens that the Defendants intend to sell is relatively small compared to the volume of trades on the market on the day shown by the chart.

22. In addition, Mr Patel submits that the price of CORE tokens is already on a downward trend. Trading is anonymous, he says, so there is no risk in reality of reputational damage to the Plaintiff from the market learning that it is the Defendants who are selling CORE tokens. The Defendants say that the Plaintiff's concerns about reputational risk are thus misplaced.

23. The Defendants submit that the only likely loss is from any depreciation of the price of CORE tokens, which should be easy to calculate, and the Plaintiff should include that within its claim in the arbitration. The Defendants complain that there are no specifics from the Plaintiff as to how any sale by the Defendants will destroy the value of the CORE tokens. Perhaps with a view to some form of alternative resolution, the Defendants suggest that, if the Plaintiff has real concerns about the market being flooded by the CORE tokens which the Defendants wish to dispose of, then the Plaintiff could buy back the tokens under the put option. I pause there to say that that does not seem a particularly attractive option for the Plaintiffs because the strike price under the put option is now somewhat higher than current market price for the CORE tokens. Alternatively, Mr Patel says, the Plaintiff could buy CORE tokens directly from the Defendants at market price in order to protect market perception, and no doubt the Defendants would counterclaim within the arbitration for any difference in price between the market price at which they sold to the Plaintiff and the strike price of the put option.

24. Mr Patel then addresses the question of the balance of convenience in paragraph 12 of the Defendants' skeleton argument:

    24.1 As I indicated a moment ago, he stridently points out that the Defendants are holding over 40 million CORE tokens that they legitimately purchased themselves for over US $20 million but are now unable to do anything with those assets.

    24.2 Secondly, the termination of the commercial agreements between the parties, which the Defendants contend are unauthorised terminations with the result that the Defendants have their own damages claims against the Plaintiff, has the result that the CORE tokens which the Defendants bought may no longer be of any use to the Defendants, and the Plaintiff may be required to repurchase them under the existing put options.

    24.3 The Defendants, thirdly, will be unable to meet imminent repayment obligations to investors and creditors under collateralised loan agreements because their ability to meet those repayments is contingent on trades of the CORE tokens pursuant to the put options. Reference is made to some 584 Bitcoins, equivalent to roughly US $9 million, being due on 15 October 2025.

    24.4 Perhaps slightly more importantly, third party investors would suffer from the Defendants not making their repayments: either investors who loaned their Bitcoins will suffer or investors in another linked segregated portfolio will suffer. In either case, it is said, obligations are owed to those investors by the Defendants, which the injunction currently prohibits the Defendants from fulfilling.

25. I shall now summarise the Plaintiff's responses to the matters raised on behalf of the Defendants. Mr Milne complains that the Plaintiff has been trying to deal with a moving target in that the Defendants' case keeps changing. He says that the Defendants' assertion as to the need for a variation of the injunction, as set out in the Defendants' skeleton argument, has not been made out on the evidence regarding the existence, repayment dates and amounts of the loans. He says that all that is before the Court today, really, is a bare assertion by Mr Flanagan in his affidavit evidence.

26. Mr Milne says on behalf of the Plaintiff that a fire sale of CORE tokens held by the Defendants would likely cause tens of millions of dollars, at the very least, in damage to the total valuation of the CORE tokens and accompanying reputational harm from which the CORE ecosystem may never recover. I

take that submission with a sizable pinch of salt: it seems to me there is quite considerable merit in the Defendants' position that both parties will want to preserve the value of the CORE tokens as far as possible, and that any steps taken by the Defendants that would be value destructive are going to be contrary not just to the Plaintiff's interests but to the Defendants' own interests as well. So, it seems to me that that particular concern on the Plaintiff's part is somewhat overstated. Moving on, Mr Milne on behalf of the Plaintiff raises concerns as to the Defendants' ability to pay all of the damages or costs it is claiming, given that the documents which are in evidence demonstrate very limited liquidity and asset positions on the part of the Defendants.

27. Finally, of relevance in relation to the balance of convenience arguments, Mr Milne says that the Defendants would not be prejudiced if they are prevented from dealing with CORE tokens except with the consent of the Plaintiff, which is what the current Order provides. He goes on to say that the Plaintiff wishes to explore an orderly unwinding of the Defendants' positions.

28. The Plaintiff submits that its cross-undertaking in damages is more than sufficient to compensate any losses that the Defendants would suffer in the event that it is found that the injunction should not have been granted. The Plaintiff submits that the Defendants already have the benefit of US $5 million in collateral from the Plaintiff, which was paid to the Defendants pursuant to the commercial agreements between them in order to secure the Plaintiff's obligations. The Plaintiff records that the Defendants have reserved their rights in respect of the put options, and intend to do so for all upcoming maturity dates, so that it will remain open to the Defendants to argue, if they are successful in the arbitration, that those options should be honoured by the Plaintiff at the strike price specified in the put options.

29. Finally, I record here that, in the course of argument, Mr Milne very sensibly accepted that if the Defendants were to produce evidence of the identities of other third party lenders, the amounts lent and that repayment calls have been made by those lenders, then the Plaintiff would consent to trades of sufficient CORE tokens to allow the Defendants to meet those repayment obligations.

30. Whilst I have sympathy for the Defendants' position, the difficulty is that the Defendants' evidence in respect of its need to make repayment of any loans is incomplete and important documents are missing. There is in the evidence before me, a copy of a master loan agreement. However, there is only one loan agreement schedule which was included in the bundle by then Defendants, but which

is not formally in evidence as a document. Whilst it is consistent with the Defendants' assertion that the relevant maturity date for some loans is 15 October 2025, the loan confirmation document is in respect of a very small number of Bitcoins in comparison to the volume that the Defendants say they will have to repay on 15 October 2025. Secondly, the loan agreement documentation provides for an automatic rollover of loans unless a repayment demand is made, and there is no evidence of any repayment demand having been made either by this lender or by any other lender to the Defendants.

31. There is therefore no material to show that any substantial loans must be repaid by 15 October or 19 November 2025 There is no or virtually no evidence that backs up the Defendants' submission that there is an imminent existential threat to the Defendants that will materialise by 15 October 2025 or 19 November 2025, or indeed by a date in probably a small number of months by which time the arbitration is likely to have concluded.

32. In those circumstances, in my judgment, I am not able to form any reliable view at today's date as to whether the requirement for the Defendants to repay any loans has actually crystallised for any lenders, or as to the amounts required to be paid by the Defendants on either 15 October or 19 November 2025. I am therefore not able to reach any reliable conclusion that there is a real risk that the Defendants' future is threatened or that the Defendants might become subject to insolvency proceedings unless the injunction is varied.

33. As far as the balance of convenience is concerned, I bear well in mind Lord Hoffmann's guidance that the court should take whichever course seems more likely to cause the least irremediable prejudice. On the material before me today, the Defendants have not persuaded me that they are likely to suffer irremediable prejudice if I refuse the variation to the Order that is sought. This does not prevent the Defendants and the Plaintiff agreeing to dealings in the CORE tokens as the current Order provides. For example, as Mr Patel suggested, the Defendants selling tokens to the Plaintiff at the current market price, instead of exercising the put options, with the possibility of claiming the difference within the arbitration; or indeed an orderly sale of CORE tokens on the market in a manner that is agreed between the parties. I would strongly encourage both parties to seek to agree something along those lines to mitigate any damage that might possibly arise in the period before the arbitration comes to a conclusion.

34. As I have indicated, I am not persuaded on the material that I have seen that the Defendants have demonstrated that their reasons for seeking a variation of the injunction Order are made out, and that it is necessary or appropriate for me to make the variation in the terms sought. However, the balance of the Plaintiff's summons to discharge the injunction will go forwards on 27 or 28 October 2025, unless the parties reach some agreement in the meantime.

Dated 10 October 2025
Filed 02 December 2025

THE HONOURABLE JUSTICE JALIL ASIF KC
JUDGE OF THE GRAND COURT