

Jho Low's kin allowed to replace trustee in bid to fight US\$370mil asset seizure
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A judge has allowed a controversial Malaysian businessman and his family to take control of trusts in New Zealand as they seek to fight the seizure of assets worth US\$370 million.

In December, relatives of a Malaysian businessman with ties to Hollywood, who has also been accused of money laundering, said they would launch a bid in a New Zealand court to protect his assets from being seized by the United States.

Four relatives of Low Taek Jho have filed court actions in New Zealand and the Cayman Islands to have real estate and other assets transferred to a new trustee.

The assets of Low Taek Jho - known as Jho Low - were being seized as part of an investigation into the scandal-tainted 1MDB fund, from which the US Department of Justice alleged more than US\$3.5 billion (NZ\$4.9 billion) was misappropriated.

The lawsuits sought to seize US\$1.4 billion in assets allegedly diverted from the state-owned development fund into luxury real estates in New York, Beverly Hills and London, valuable paintings and a private jet.

It was also allegedly used to pay for million-dollar gambling excursions and to back the production of a Hollywood film, 'The Wolf of Wall Street'.

The relatives' bid to protect assets held by some trusts was set to be heard before Justice Kit Toogood in the Auckland High Court today, with court documents released ahead of the hearing revealing more details about the case.

They said about US\$265 million (NZ\$368 million) in assets, ranging from a private jet to American mansions, were at stake in a dispute over the control of trusts.

The submissions of the relatives sought to replace the current trustee of New Zealand trusts, Swiss-based Rothschild, with a New Zealand-based entity of Cayman Islands law firm FPP.

Low's relatives want to replace the trustee because Rothschild had not taken steps to oppose the forfeiture orders sought by the US.

The relatives have brought a number of other proceedings against the US forfeiture orders, the submissions said, but Rothschild's inaction meant orders against some trusts were at an advanced stage.

"In the event the forfeiture proceedings are not contested, the plaintiffs will lose their entitlement to trust assets worth approximately US\$265 million (NZ\$368 million)," the submissions said.

Defendants not opposed to being replaced

Submissions for the defendants said they were not opposed to being replaced as trustees but considered it must be done by a court order because of the action brought by the US.

The trustee also wanted to be covered for any costs incurred by transferring the assets.

It specified the assets being sought were a Bombardier Jet, a luxury hotel in Beverly Hills, and three other properties, while noted the trusts owned other assets in Hong Kong, Singapore and the United Kingdom which were not being sought at this stage.

Low's relatives were named as Low Hock Peng, Goh Gaik Ewe, Low May Lin and Low Taek Szen.

After a delay to Friday's hearing, Justice Toogood said he was satisfied he should make the orders sought.

But as there was continued discussion between the parties about certain ancillary orders, he adjourned the hearing to 2.15pm, when he was expected to read his judgment.

The judge said there was no need for him to express any view as to the merits of the US case against Low.

Late today, Justice Toogood's judgment was released, in which the orders sought were approved.

"I am satisfied that assets located in the United States, valued in excess of US\$250 million, are likely to be forfeited to the US government... unless parties properly authorised to do so, who have a sufficient interest in the assets, take the procedural steps available to them at law to oppose the making of the orders."

- *Stuff*

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