Collapsed crypto fund co-founder hits back at liquidators after ‘threats of physical violence’

A
co-founder of a collapsed crypto hedge fund reportedly once worth $10 billion has hit back at accusations by liquidators that he is refusing to cooperate with them.

Three Arrows Capital (3AC) co-founder Zhu Su tweeted: “Sadly, our good faith to cooperate with liquidators was met with baiting.”

In a court filing on Friday, liquidators of Three Arrows Capital (3AC) Russell Crumpler and Christopher Farmer said: “The physical whereabouts of the debtor’s founders, Zhu Su and Kyle Livingstone Davies, are currently unknown,” adding, “the founders have not yet begun to cooperate… in any meaningful manner.”

Farmer had tried to visit Su and Davies at their Singapore offices, only to find they were empty with the entrance locked and unopened letters propped up against the doors.

The liquidators warned there was an “imminent risk” the company’s assets could be sold by 3AC’s founders or others to the detriment of creditors.

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In an email Su posted to Twitter, his lawyers said: “Our clients and their families have received threats of physical violence and have had to field queries from the Money Authority of Singapore in the last week or so, which has meant they have been working under a lot of time pressure.”

The founders reportedly amassed a $10 billion fortune before a Bitcoin sell-off saw the price of digital assets plummet. The company later filed for bankruptcy in the British Virgin Islands.

The fund’s demise destabilised multiple other crypto companies with whom 3AC had close financial ties. Last month, 3AC defaulted on a $675 million loan from New York-based cryptocurrency broker Voyager Digital. Voyager later filed for bankruptcy after suspending customer trading, deposits and withdrawals.

Crypto exchange Blockchain.com is poised to lose as much as $270 million in loans issued to 3AC, Reuters reports.

In a tweet in June 3AC said: “Committed to working this out, do not believe all that has been written about us.”

The value of cryptocurrency assets has fallen 54% in the past three months, according to data from CoinMarketCap.