

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

COMMODITY FUTURES TRADING COMMISSION,	)	
	)	
<b>Plaintiff,</b>	)	<b>Civil Action No. 22-cv-02465</b>
	)	
v.	)	<b>Honorable Mary M. Roland</b>
	)	
SAM IKKURTY A/K/A SREENIVAS I RAO, RAVISHANKAR AVADHANAM, AND JAFIA, LLC,	)	<b>Magistrate Judge Jeffrey Cummings</b>
	)	
<b>Defendants,</b>	)	
	)	
IKKURTY CAPITAL, LLC D/BA/ ROSE CITY INCOME FUND I, LP, ROSE CITY INCOME FUND II LP, AND SENECA VENTURES, LLC,	)	
	)	
<b>Relief Defendants.</b>	)	
	)	

**TEMPORARY RECEIVER’S 60 DAY REPORT**

James L. Kopecky, not individually, but solely as the Court-appointed Temporary Receiver (the “Temporary Receiver”) for the Receivership Estate, as defined by the Order Appointing Temporary Receiver dated May 11, 2022 (Dkt. 18) (“Receivership Order”), and pursuant to the Receivership Order, makes the following report summarizing efforts to marshal and collect assets, administer the Receivership Estate, and otherwise perform the duties mandated by the Receivership Order.

**I. Background of Temporary Receiver’s Appointment**

On May 10, 2022, the Commodity Futures Trading Commission (“CFTC”) filed a Complaint (Dkt. 1) against Sam Ikkurty a/k/a Sreenivas I Rao, Ravishankar Avadhanam, and Jafia, LLC (“Defendants”) and Ikkurty Capital, LLC d/b/a Rose City Income Fund, I LP, Rose

City Income Fund II, LP, and Seneca Ventures, LLC (“Relief Defendants”)<sup>1</sup> alleging that Defendants fraudulently solicited and accepted over forty million dollars from at least 170 investors. At the same time, the CFTC filed a Motion for an *ex parte* Statutory Restraining Order (Dkt. 6), a Motion for a Preliminary Injunction (Dkt. 8) and a Motion to Appoint Receiver (Dkt. 7), seeking to, among other things, freeze the assets of the Defendants and Relief Defendants and to appoint a Receiver and create a Receivership Estate to preserve and protect the assets and to help maximize restitution to investors. This Court granted the *ex parte* Motion for a Statutory Restraining Order and on May 11, 2022, entered an order appointing the Temporary Receiver (Dkt. 16).

The Receivership Order requires the Temporary Receiver to, within 60 days of being appointed and periodically thereafter, as directed by the Court, file with the Court and serve on the parties a report summarizing efforts to marshal and collect assets, administer the Receivership Estate, and otherwise perform the duties mandated by the Receivership Order. This is the first such report.

## **II. Efforts to Marshal and Secure Assets**

The CFTC and the Temporary Receiver traveled to the home of Defendant Ikkurty in Portland, Oregon, on May 16, 2022, and took possession of papers, computers, mobile phones, and digital wallets. The Temporary Receiver also took photographs of jewelry in the home. In addition, Ikkurty identified a safe deposit box that he represents holds no assets, however, the Temporary Receiver has not yet confirmed that information. The CFTC and an attorney for the Temporary Receiver also went to the home of Defendant Avadhanam and secured a computer and a cell phone. The Temporary Receiver, through his attorney, also changed passwords for

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<sup>1</sup> Defendants and Relief Defendants are collectively referred to as “Receivership Defendants.”

bank accounts and took possession of the Rose City Income Fund email account to further secure assets. The CFTC simultaneously served the Statutory Restraining Order on financial entities known to be holding, or potentially holding, assets of the Receivership Estate. The CFTC and vendors retained by the Temporary Receiver also imaged the electronic devices.

Defendants retained counsel and since that time the Defendants' attorneys have been cooperating with the Temporary Receiver and assisting in providing documents and information relating to assets and to potential creditors. The information and documents identify assets such as vehicles and property. The Temporary Receiver will further investigate the purchase dates of these assets as well as the source of funds used to purchase the assets to determine whether those assets should be part of the Receivership Estate. The banks and financial institutions have also been cooperative and provided the Temporary Receiver with the identity of assets held at their institutions in the name of, or for the benefit of, the Defendants and Relief Defendants. Finally, Coinbase (a platform Defendants used to access the cryptocurrency markets) froze certain digital assets and the Temporary Receiver holds the digital wallets for cryptocurrency assets that can be traced, followed, and identified on publicly available blockchains.

Due to the constantly fluctuating value of the cryptocurrencies and the staking of the majority of the digital assets it is impossible to provide an exact value of the assets recovered and frozen to date. Nonetheless, attached as Exhibit A is a list of assets with approximate valuations. The assets frozen thus far total approximately \$24.4 million.

### **III. Administration of Receivership Estate**

The Temporary Receiver established a website, [www.rosecityfundreceivership.com](http://www.rosecityfundreceivership.com) to provide information to investors and creditors. For example, the Temporary Receiver will post this report to the website. The Temporary Receiver has already posted the pleadings to the

website and posted a list of frequently asked questions and answers. The Temporary Receiver also established an email address and account, [rosescityfundreceivership@ksrlaw.com](mailto:rosescityfundreceivership@ksrlaw.com), to communicate with investors, attorneys for investors, vendors, potential creditors and others. At the same time, the Temporary Receiver continues to monitor the original Rose City Gmail account. Through the website and the Rose City Gmail account, the Temporary Receiver has identified a number of investors and potential creditors. The Temporary Receiver has been creating a distribution list and will begin using that list to actively send emails to investors when new information is available, and the website is updated. The Temporary Receiver has also communicated with a number of investors and attorneys for investors and has received documents and information from them.

Additionally, the Temporary Receiver has also received information and documents from the Fund administrators and tax accountants. Pursuant to Section I, F of the Receivership Order, the Temporary Receiver retained Kopecky Schumacher Rosenberg LLC to act as counsel to the Temporary Receiver to facilitate communications, and negotiate contracts, with vendors and creditors and to assess potential litigation.

The Temporary Receiver retained Miller Kaplan, a tax and advisory firm, to prepare tax returns for the funds and for the Receivership Estate. Miller Kaplan also created a Qualified Settlement Account from which, and pursuant to Section I of the Receivership Order, the Temporary Receiver intends to pool the assets and make payments and distributions. The Temporary Receiver is working with a banker at a national bank regarding the safe investment of the pooled assets until distribution.

The Temporary Receiver is aware that the entities have not filed tax returns for 2021 and have not provided investors with Schedule K-1s. With the engagement of Miller Kaplan, the

Temporary Receiver intends to accomplish those tasks soon. The Temporary Receiver is also contacting persons with expertise in trading and staking cryptocurrencies to assist with the liquidation of those assets. The Defendants have expressed a desire to assist with the liquidation of digital assets and the Temporary Receiver intends to consider their input.

The Temporary Receiver is also evaluating, with the assistance of counsel, whether to wind down and dissolve certain of the entities in the Receivership Estate and whether to return certain other entities to the control of one or more of the Defendants.

#### **IV. Other Duties of the Receivership**

As of the time of this report, the Court's appointment of the Temporary Receiver remains temporary. Given the temporary nature of the appointment, the Temporary Receiver has prioritized the marshaling and protecting of assets, over the liquidating, consolidating and distribution of assets. Nonetheless, within the next 90 days, the Temporary Receiver intends to file with the Court and serve on the parties a proposed Claims Process through which investors will be able to make claims for losses suffered as a result of investments with the Receivership Defendants. The investors and other parties will have an opportunity to be heard and to object to the claims process. During that same period, the Temporary Receiver will investigate whether any investors improperly received profits from the investments, and whether it would be appropriate for the Temporary Receiver to seek to recover those profits. The Temporary Receiver, with the assistance of counsel, will also investigate the possibility of claims of against other salespersons and third parties.

#### **V. Receivership Fees and Expenses**

In accordance with the timeline set forth in Section VI of the Receivership Order, the Temporary Receiver intends to file a request for compensation with this Court on or before

August 11, 2022. The request will provide a detailed accounting of fees and expenses to date. The Temporary Receiver will post the request to the website and serve it on the parties allowing all interested parties an opportunity to be heard and object.

**VI. Conclusion**

In conclusion, the Temporary Receiver will continue to preserve assets while investigating the existence of other assets. The Temporary Receiver will also work to ensure appropriate tax returns and documents for the entities are prepared and filed. The Temporary Receiver respectfully requests that this Court set a date for the next report to the Court to coincide with the Temporary Receiver's second request for compensation, on or before October 31, 2022.

Respectfully submitted,

<p>Daryl M. Schumacher (6244815) Kopecky Schumacher Rosenberg LLC 120 N. LaSalle St., Suite 2000 Chicago, IL 60602 Telephone: (312) 380-6556 dschumacher@ksrlaw.com</p>	<p><u>/s/ Daryl M. Schumacher</u> Attorney for James L. Kopecky <i>Temporary Receiver for Defendants Jafia, LLC, Sam Ikkurty a/k/a Sreenivas I Rao, Ikkurty Capital LLC d/b/a/ Rose City Income Fund I, Rose City Income Fund II, LP and Seneca Ventures, LLC</i></p>
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**CERTIFICATE OF SERVICE**

I hereby certify that on July 11, 2022, I electronically filed the foregoing Temporary Receiver's 60-Day Report with the Clerk of the Court by using the CM/ECF system, which will provide electronic notice and an electronic link to this document to all counsel of record.

DATED: July 11, 2022

/s/ Daryl M. Schumacher

# Receivership Estate Assets

Financial Institution	Account Name	Account Number	Amount Frozen/Account Value as of Freeze Date
Silvergate Bank	[REDACTED]	[REDACTED]	\$3,236,948.61
Silvergate Bank	[REDACTED]	[REDACTED]	\$582,214.55
Silvergate Bank	[REDACTED]	[REDACTED]	\$0.00
Silvergate Bank	[REDACTED]	[REDACTED]	\$26,421.60
Umpqua Bank	[REDACTED]	[REDACTED]	\$29,459.88
Umpqua Bank	[REDACTED]	[REDACTED]	\$0.00
Umpqua Bank	[REDACTED]	[REDACTED]	\$3,223.12
Umpqua Bank	[REDACTED]	[REDACTED]	\$1,951.20
Umpqua Bank	[REDACTED]	[REDACTED]	\$3,640,695.12
Evolve Bank and Trust	[REDACTED]	[REDACTED]	\$491,668.77
Evolve Bank and Trust	[REDACTED]	[REDACTED]	\$1,684,536.56
JPMC	[REDACTED]	[REDACTED]	\$100,729.32
JPMC	[REDACTED]	[REDACTED]	\$29.53
JPMC	[REDACTED]	[REDACTED]	\$44,822.77
JPMC	[REDACTED]	[REDACTED]	\$1,704.32
JPMC	[REDACTED]	[REDACTED]	N/A
BMO Harris	[REDACTED]	[REDACTED]	\$44,966.42
Key Bank	[REDACTED]	[REDACTED]	\$84,978.17
Key Bank	[REDACTED]	[REDACTED]	\$1,000.12
Key Bank	[REDACTED]	[REDACTED]	\$5,000.00
Key Bank	[REDACTED]	[REDACTED]	\$2,187.50
E*Trade	[REDACTED]	[REDACTED]	\$2,850.80
Coinbase	[REDACTED]	[REDACTED]	\$8,211.00
Coinbase	[REDACTED]	[REDACTED]	\$4.65
Coinbase	[REDACTED]	[REDACTED]	\$2,837.82
Coinbase	[REDACTED]	[REDACTED]	\$0.00
Coinbase	[REDACTED]	[REDACTED]	\$23,069.65
Digital Wallet (Ledger)	[REDACTED]	[REDACTED]	\$10,759,440.32
Digital Wallet (Ledger)	[REDACTED]	[REDACTED]	\$2,547,791.21
Digital Wallet (Ledger)	[REDACTED]	[REDACTED]	\$466,877.52
Patelco Credit Union	[REDACTED]	[REDACTED]	\$310,427.47
OnPoint Community Credit Union	[REDACTED]	[REDACTED]	\$100.00
OnPoint Community Credit Union	[REDACTED]	[REDACTED]	\$97,769.86
Citibank	[REDACTED]	[REDACTED]	\$3,000.00
BMO Harris Bank	[REDACTED]	[REDACTED]	\$16,196.00
Bank of America	[REDACTED]	[REDACTED]	\$113.00
Wells Fargo	[REDACTED]	[REDACTED]	\$1,031.05
Wells Fargo	[REDACTED]	[REDACTED]	\$1,000.00
Old Second National Bank	[REDACTED]	[REDACTED]	\$1,860.46
Old Second National Bank	[REDACTED]	[REDACTED]	\$58,748.49
Unitus	[REDACTED]	[REDACTED]	\$19,483.62
State Bank of India	[REDACTED]	[REDACTED]	\$1,500.00
HDFC	[REDACTED]	[REDACTED]	\$390.00
State Bank of India	[REDACTED]	[REDACTED]	\$75.00
<b>TOTAL:</b>			<b>\$24,305,315.48</b>