

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

COMMODITY FUTURES TRADING  
COMMISSION,

Plaintiff,

v.

SAM IKKURTY A/K/A SREENIVAS I RAO,  
RAVISHANKAR AVADHANAM,  
AND JAFIA LLC

Defendants,

IKKURTY CAPITAL, LLC D/B/A ROSE CITY  
INCOME FUND, ROSE CITY INCOME FUND  
II LP, AND SENECA VENTURES, LLC

Relief Defendants.

Civil Action No.: 22-cv-02465

Honorable Mary M. Roland

Magistrate Judge Jeffrey  
Cummings

**DEFENDANT AVADHANAM'S FIRST REQUEST FOR PAYMENT OF REASONABLE  
PERSONAL EXPENSES AND MEMORANDUM IN SUPPORT**

Defendant Ravishankar Avadhanam (“Avadhanam”), by his undersigned counsel, respectfully files this motion to seek the ability to pay for reasonable living expenses for his family. Avadhanam’s assets have been frozen pursuant to this Court’s order. Avadhanam supports his wife and children. They require funds to pay for basic personal expenses. We respectfully request an order from this Court granting such relief. In support of this motion, Avadhanam states as follows:

**FACTUAL BACKGROUND**

Ravi Avadhanam grew up in India. His background primarily is in information technology; he has over 20 years’ experience working in IT sales and consulting. His experience includes responsibilities such as liaising with development managers, recruiting and training

employees, and engaging in technology sales and customer outreach. In 2006, he took a position at Apar Technologies, a global information technology consulting company headquartered in Singapore. He moved to Singapore and raised a family there. In 2014, Avadhanam made the difficult decision to leave his family in Singapore and take an IT consulting job with PrideVel in the United States. Avadhanam hoped to eventually be able to move his family here so that his children could avoid forced conscription into the Singapore military. Avadhanam was successful and now lives with his family here, with two children in college.

In early 2020, co-defendant Sam Ikkurty reached out to Avadhanam via LinkedIn, first seeking Avadhanam as an investor and eventually as an employee of Ikkurty's company, Jafia LLC. Avadhanam believed in the promise of cryptocurrency as an investment opportunity and he and several family members invested in Rose City Fund I. Avadhanam also eventually agreed to work as a W-2 employee for Jafia LLC. At Ikkurty's direction, Avadhanam attended conferences and manned a booth that advertised Ikkurty's investment strategy. Avadhanam then followed up with conference attendees and other prospective investors, often providing pre-prepared information from Ikkurty. Often, when a prospective or current investor would ask questions, Avadhanam would obtain the answer from Ikkurty and pass along a response. Avadhanam also was responsible for collecting know-your-customer information from prospective investors and passing that information along to third-party fund administrators. In short, Avadhanam was tasked with administrative duties while Ikkurty made all financial and investment decisions. As an employee, Avadhanam continued to invest in Jafia funds and even took out a large personal loan which is still outstanding to invest more money.

Avadhanam has been the sole bread-winner of his family. He supports his wife and two children, both of whom are in college. Avadhanam has built a life for his family, but not an extravagant one. They live in a house in Aurora with a significant mortgage.

On May 10, 2022, the Commodities Futures Trading Commission (“CFTC”) filed a Complaint for Injunctive Relief, Civil Monetary Penalties and Other Equitable Relief against Sam Ikkurty a/k/a Sreenivas I Rao, Ravishankar Avadhanam, and Jafia LLC and Ikkurty Capital, LLC d/b/a Rose City Income Fund I, LP, Rose City Income Fund II, LP, and Seneca Ventures, LLC. Also on May 10, 2022, the CFTC moved for an ex parte statutory restraining order pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), freezing Defendants’ assets (Dkt. 6) and for the appointment of a receiver to, inter alia, to take control of those assets. Dkt. 7. On May 11, 2022, the Court entered an order granting the requested statutory restraining order (Dkt. 17) and entered a separate order granting the appointment of James Kopecky as Temporary Receiver. Dkt. 18. On July 18, 2022, the Court entered a consent preliminary injunction, which the Defendants agreed to without admitting liability and without prejudice to their right to seek to modify or vacate the order at a later date. Dkt. 37. That same Order (the “Consent Order”) appointed the Temporary Receiver as Receiver over the Receivership Defendants and the Receivership Estate. *Id.*

Pursuant to the Consent Order (Dkt. 37), Avadhanam must seek leave of Court in order to seek any finances, including reimbursement of his legal expenses. Pursuant to the Receivership Order (Dkt. 18), the Receiver has been appointed as overseeing the funds and accounts of the Relief Defendants. The Consent Order also requires Avadhanam to “provide the Receiver with a full detailed accounting of all funds, records, and assets, including the assets inside and outside

of the United States that are held by each Defendant and Relief Defendant, for their benefit, or under their direct or indirect control” (Dkt. 18, p. 5).

All of Avadhanam’s assets have been frozen. Avadhanam’s family has been trying to make ends meet as best possible under the circumstances. Avadhanam’s wife has taken a job at Home Depot but so far has only been given a few hours of work per week. It is extremely difficult for Avadhanam to find employment with the pending CFTC action. Avadhanam is not able to provide for basic expenses for his family. His family has been barely surviving, letting most bills simply go unpaid.

Avadhanam has done his best to reduce expenses. For example, his monthly medical insurance premium had been \$2,176 per month. *See* Ex 1B. However, Avadhanam significantly reduced the coverage available to his family and the premium is now only \$884.75 per month. Avadhanam found an apartment for his son to live in at college which is cheaper than the cost of on-campus housing. Avadhanam otherwise has student loans to support his children in college which require only small monthly payments. Avadhanam requests an order for a release from his personal assets of \$8,597 per month to cover the following basic living expenses:

- Home Mortgage - \$2,723
- Family Medical Insurance - \$884.75
- Groceries, Gas and Related Items - \$1,000
- Monthly Rent for Son in College - \$1,139
- Utilities, Car Payments, Student Loan Payments and Other Regular Bills - \$1,000
- Outstanding Credit Card Bills and Daily Expenses - \$1,850

#### **LEGAL STANDARD**

This motion is made pursuant to this Court’s Consent Order (Dkt. 37), under which the restraints shall remain “in full force and effect until further order of this Court”. *Id.* at 13. This Court has discretion to modify that order as appropriate. A court with the authority to freeze personal assets temporarily “has the ‘corollary authority to release frozen personal assets, or

lower the amount frozen.” *SEC v. Dowdell*, 175 F. Supp. 2d 850, 854 (W.D. Va. 2001) (quoting *SEC v. Gonzalez de Castilla*, 170 F. Supp. 2d 427, 429 (S.D.N.Y. 2001)).

## ARGUMENT

### **The Court Should Authorize Payment of Avadhanam’s Basic Living Expenses.**

Courts routinely permit disbursements for reasonable living expenses from an asset freeze. *See, e.g., S.E.C. v. Laumbattus*, No. 08-CV-0787-MJR, 2008 WL 5100970, at \*3 (S.D. Ill. Nov. 26, 2008) (entering preliminary injunction including an asset freeze based on claims by SEC of violations of securities fraud, but allowing “a monthly payment to pay for reasonable living expenses.”); *F.T.C. v. Phoenix Avatar, LLC*, No. 04 C 2897, 2004 WL 1746698, at \*16 (N.D. Ill. July 30, 2004) (entering preliminary injunction against defendants including asset freeze but allowing that “any defendant may pay from his personal funds reasonable, usual, ordinary, and necessary living expenses and attorney fees”); Temporary Restraining Order, *SEC v. Holzhueter et al.*, No. 15-cv-45 (W.D. Wis. Jan. 28, 2015), Dkt. 20 (permitting defendant to use funds “otherwise subject to the asset freeze for his ordinary and necessary personal living expense”). A “defendant ha[s] a significant interest in paying for ordinary and necessary living expenses (food, shelter, and the like) until the conclusion of [their] trial” and “[a] restraining order that prevents a defendant from supporting [themselves] and [their] family pending and during trial” will “likely work an injustice.” *United States v. Kahn*, 890 F.3d 937, 940 (10th Cir. 2018) (internal quotation and citation omitted).

The expenses that Avadhanam seeks to pay are precisely the type of basic and necessary living expenses that courts regularly carve out from asset freezes during the pendency of enforcement actions. Avadhanam’s request is also consistent with orders modifying pre-existing asset freezes to pay for reasonable and necessary living expenses. Absent a carve-out,

Avadhanam faces an extremely dire situation. The amount requested is reasonable, will cause great hardship if denied, and therefore should be allowed.

**CONCLUSION**

For the reasons set forth above, Avadhanam respectfully requests that the Court approve (1) a regular monthly payment of \$8,673 for ongoing monthly expenses.

Dated: September 2, 2022

Respectfully submitted,

By: /s/ Levi Giovanetto  
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***Attorneys for Defendant Ravishankar Avadhanam***



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Review your coverage history and details about specific plans. Enter a different date to review detail for all coverages.

As of (Earliest 09/27/2021)

05/23/2022



Redisplay

## Your Benefits

Monthly Annual

Coverage effective May 23, 2022

All costs are before-tax amounts, unless noted.

Medical

UHC Copay Advantage CPN

You + Family ( Ravishankar, Meghana )

Your Monthly Cost

\$2,175.99<sup>1</sup>

View History

Dental

Waive

Waive

Your Monthly Cost

\$0.00

View History

Vision

EyeMed Exam and Materials

Your Monthly Cost

View History



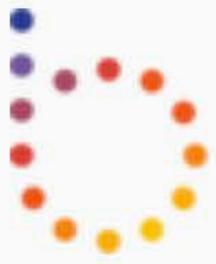
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 **Due Date: Aug 20, 2022**

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## Payment

Last Payment Date	08/20/2022
Amount	\$884.75
Payment Method	MAST XXXXXXXX [REDACTED]
Payment Status	Processing

Your account is not set up for scheduled payments.

 [Payment Methods](#)  [Payment History](#)

## Account

Account N°	[REDACTED]
Issuer Subscriber ID	[REDACTED]
Subscriber ID	[REDACTED]
Issuer Policy Number	[REDACTED]
Name	Ravishankar Avadhanam
Paid Through Date	Sep 30, 2022
Account Status	Good Standing
Agent	Rajesh desai (535675)
Paperless Billing	Not Enrolled
Reimbursement Arrangement	--

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