

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

**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 I, ROSE
CITY INCOME FUND II LP, SENECA
VENTURES, LLC,**

Relief Defendants.

Case No.: 22-cv-2465

Honorable Mary M. Rowland

Magistrate Judge Jeffrey Cummings

**DEFENDANT SAM IKKURTY'S MOTION FOR PAYMENT OF LIVING EXPENSES
AND ATTORNEYS' FEES AND MEMORANDUM IN SUPPORT**

Defendant Sam Ikkurty (“Ikkurty”), by and through his attorneys, respectfully submits this memorandum of law in support of his motion for a carve out from the asset freeze to pay for reasonable living expenses and professional fees. Since May 2022, Ikkurty’s assets have been frozen, although he is the sole provider for his family of four. Ikkurty’s family has been threatened with eviction since this action began and requires funds to avoid that outcome and pay for basic living expenses. Further, Ikkurty requests that the Court permit payment for accountants hired to conduct the required accounting under the Court’s orders. Ikkurty also asks the Court to permit payment for his attorneys’ fees, which is appropriate both in light of the equities of leaving him to defend a complex cryptocurrency enforcement action without counsel and the relevant fund documents that provide for indemnification and advancement of attorneys’ fees. We therefore respectfully ask the Court to grant the requested relief and permit payment of basic living expenses, accounting, and attorneys’ fees.

FACTUAL BACKGROUND

A. The Receivership and the Asset Freeze

Ikkurty was born and raised in India and received his bachelor’s degree in Technology from the Indian Institute of Technology, Kharagpur. In 1996, Ikkurty came to the United States to further pursue his career and provide better opportunities for himself and his family. Since 2013, Ikkurty drew on his background in computer science to research and begin investing in cryptocurrencies. His ongoing study and interest in cryptocurrency led Ikkurty to establish Ikkurty Capital, LLC d/b/a Rose City Income Fund I (“Fund I”) in 2017 and Rose City Income Fund II LP (“Fund II”) in 2020.

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 (“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”) (collectively, the “Receivership Defendants”).

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) seeking to freeze the Receivership Defendants’ assets (Dkt. 6) and for the appointment of a receiver to, *inter alia*, 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.*

The Consent Order provides that Ikkurty must seek leave of Court in order to request any release of funds. Dkt. 37, p. 5. The Consent Order further requires Defendants and Relief Defendants to provide the CFTC and the Receiver with an accounting of all funds, records, and assets that are held by each Defendant and Relief Defendants (Dkt. 37, p. 7-8). Finally, the Consent Order provides that “Defendants shall cooperate with the CFTC and Receiver to the extent necessary to identify the location of any and all documents that establish an accounting of all funds received by Defendants and/or Relief Defendants ...” *Id.*

B. Ikkurty’s Financial Condition and Expenses

Although there has been no finding or admission of liability, Ikkurty has been under a total asset freeze for over three months, and during that time has, with assistance of counsel, worked to cooperate with the Receiver and promptly comply with the Consent Order.

As far as Defendants are aware, there is no dispute that the cryptocurrency investments generated substantial returns for investors who redeemed in cash before the decline of the cryptocurrency market. And there is no allegation or evidence that Ikkurty diverted funds for personal luxuries. Ikkurty has no independent source of steady income. *See* Declaration of Sam Ikkurty (“Ikkurty Decl.”), at ¶ 4. He does not own any real estate or other substantial assets that could be sold to cover his expenses. *Id.* at ¶¶ 3, 5. Ikkurty has been the sole breadwinner for his family of four; he has a wife, a four-year-old son, and a college-aged daughter who has taken leave from college this semester due to the family’s current situation. *Id.* at ¶ 2. He rents his home and has a single car. *Id.* at ¶ 3. Ikkurty and his family are currently without health insurance. *Id.* at ¶ 7. Ikkurty had approximately \$9,000 in cash on hand at his home for emergency use when his accounts were frozen, but that cash has been nearly depleted as he has already used approximately \$8,350 for food, medical expenses, and utilities over the past few months. *Id.* at ¶ 17.

Unable to pay rent for the last few months, Ikkurty received multiple eviction notices (*id.* at ¶ 6), which have created tremendous stress on his family. Although both counsel and the Receiver have had conversations with counsel for Ikkurty’s landlord, the choice Ikkurty currently faces is to make full payment or move out. Relocation is simply not practical or cost-effective at this point, as Ikkurty is extremely unlikely to pass a credit check and find another apartment while the freeze remains in place, and even if he could clear that hurdle, it would cost thousands of dollars to move and put down a new security deposit. Although Ikkurty’s current rent (roughly \$5000 per month) is slightly above average for Portland, Oregon, it is by no means extravagant, so remaining at his current residence is the most practical and cost-effective option. To avoid eviction, Ikkurty requests past due rent payments of \$20,620 to cover the last three months.

Ikkurty's remaining living expenses are well within the range of reasonableness and are set forth below. Ikkurty has also been attempting to update his programming skills so that he can find work as a programmer, although he estimates that he needs a few more months to become proficient and marketable again. *Id.* at ¶ 4. He therefore requests a monthly allowance going forward of \$8,458.46 to cover the following basic living expenses:

Expense	Amount (Monthly)
Rent (Mainlander Prop. Mgmt.)	\$5,155.00
Groceries/Food	\$500.00
Electric Bill (Portland General Electric)	\$178.75
Water (City of Portland)	\$242.54
Gas (Northwest Natural)	\$314.93
Car/Rental Insurance (Pemco)	\$167.24
Transportation (charging cost for electric vehicle)	\$100.00
Dental Expenses	\$100.00
Medical Expenses	\$1,500.00
Phone (T-Mobile)	\$200.00

See Ikkurty Decl. at ¶ 8 and Exs. 1-7 for the supporting documentation. Ikkurty understands that if he secures employment in the upcoming months, the parties will reexamine the monthly stipend he requests here.

B. Accountants' Fees for the Court Ordered Accounting

Additionally, counsel respectfully requests payment of accounting fees incurred in the last three months, many of which were incurred through work undertaken to comply with the

Consent Order. For example, counsel retained StoneTurn Group LLP (“StoneTurn”) for the detailed accounting required by the Consent Order. To complete the required accounting of “all funds received by Defendants and/or Relief Defendants from customers or other persons. . . and all disbursements for any purpose whatsoever of funds received from customers. . .” (Consent Order at ¶ 16), StoneTurn reviewed a voluminous amount of financial data. The accounting required StoneTurn to extract and analyze transaction details from 12 different bank accounts that had over 5,300 transactions noted in over 150 bank statements.

StoneTurn also analyzed transactional information from over 2,900 investor statements to understand the flow of funds, analyzed and identified the various sources and recipients of funds, and classified these parties as investors, vendors, investments, or Ikkurty-controlled entities. All of this information was incorporated into cash flow and flow of funds analyses for the Receiver and for counsel. Although counsel also relied on the flow of funds analyses in discussions with the CFTC, StoneTurn would not have been hired but for the accounting required by the Consent Order, and counsel expects StoneTurn’s work to be minimal now that the accounting has been completed. Counsel therefore requests payment for StoneTurn’s invoices, which total \$134,353.28 and are attached as Exhibit A.

C. Attorneys’ Fees

Given that this action commenced with a temporary restraining order, asset freeze, and temporary receivership, counsel had to complete a significant amount of work very quickly. First, counsel worked diligently to understand and quickly respond to initial questions by the Receiver concerning fund operations and digital asset activity in the crypto wallets. Second, counsel worked with StoneTurn and third-party fund administrators and auditors to facilitate information collection for StoneTurn to be able to complete its accounting analysis.

Third, given the hardship created on Ikkurty by the asset freeze, counsel worked quickly to understand the fund structure, documents, investor representations, investment strategy, and flow of funds in order to begin discussions with the CFTC. Counsel is mindful of the fact that early substantive discussions to try to narrow the issues in dispute or achieve an early resolution will benefit the Receivership as well as the Defendants. Counsel therefore prepared an initial summary of its findings and met with the government and the Receiver in July to talk through that summary to set the context for subsequent settlement conversations in the near future. Counsel notes the fact of this meeting only to highlight that the work performed to date was not undertaken in a “scorched earth” approach to the case, but rather as an early investment toward a potential resolution. To date, counsel has also written off more than 60 hours of time, as well as travel expenses for meeting with the government and the Receiver.

Further, although any defendant would face extreme difficulty defending an action on his own, the difficulty of defending a cryptocurrency case against a CFTC enforcement action and navigating the CFTC’s regulatory scheme without the assistance of lawyers would be so great as to ensure an injustice. Such a situation was never contemplated by the fund documents, which provide that Ikkurty is entitled to payment of legal fees for any such litigation. Specifically, the Fund I and Fund II documents expressly provide for the payment of legal fees and expenses for the General Partner (Jafia), which is owned and controlled by Ikkurty.¹ Counsel therefore respectfully requests a distribution for payment of fees in the amount of \$326,470 and attaches the relevant invoices in redacted form as Exhibit D.²

¹ The Fund I Limited Partnership Agreement and Fund II Limited Partnership Agreement that provide for attorneys’ fees are attached as Exhibit B and Exhibit C, respectively.

² To the extent that invoices with fewer redactions are necessary for the evaluation of this motion, counsel requests permission to submit those to the Court for *in camera* review.

LEGAL STANDARD

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)); see *CFTC v. Next Fin. Servs. Unlimited*, No. 04-80562, 2005 U.S. Dist. LEXIS 38965, at *46 (S.D. Fla. June 7, 2005) (inviting “motions for release of personal funds for the purpose of paying living expenses”); *CFTC v. Garcia*, No. 2:15-cv-237, 2015 U.S. Dist. LEXIS 69957, at *27 (M.D. Fla. May 29, 2015) (inviting “motions to modify [an asset freeze] so as to request funds for Defendant [] living expenses and attorney’s fees”).

In determining whether to modify an asset freeze, “[a] court may consider evidence of the defendant’s overall assets and income, as well as whether the defendant is requesting funds for luxuries rather than necessities.” *CFTC v. Gramalegui*, No. 15-cv-02313-REB-GPG, 2016 U.S. Dist. LEXIS 19001, at *5-6 (D. Colo. Feb. 17, 2016). “Where the courts have denied such requests, the defendants were found to have other sources of income or were requesting funds for luxuries, not necessities.” *Dowdell*, 175 F. Supp. 2d at 854.

ARGUMENT

A. The Court Should Permit Payment of Rent and Other Living Expenses

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 Ikkurty 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.³ Ikkurty's request is also consistent with orders modifying pre-existing asset freezes to pay for reasonable and necessary living expenses.⁴ Absent a carve out, Ikkurty faces an extremely dire situation. He does not have family resources to draw upon; indeed, he previously provided financial support to both his mother and his in-laws, all of whom are in India. His daughter has taken leave from college due to the lack of family resources. And eviction would be disastrous particularly given the low prospects of securing another residence. The amount requested is reasonable and will cause great hardship if denied.

B. The Court Should Permit Payment of Accounting and Attorneys' Fees

Courts also have broad discretion in supervising an equitable distribution of assets to permit the payment of attorneys' fees. As noted in *Gonzalez de Castilla*, “[w]hile the primary purpose of freezing assets is to facilitate compensation of defrauded investors in the event a violation is established at trial, the disadvantages and possible deleterious effect of a freeze must be weighed against the considerations indicating the need for such relief.” 170 F. Supp. 2d at

³ See, e.g., *FTC v. Phoenix Avatar, LLC*, No. 04 C 2897, 2004 U.S. Dist. LEXIS 14717, at *50 (N.D. Ill. July 29, 2004) (entering preliminary injunction against defendants including an asset freeze but permitting any defendant to “pay from his personal funds reasonable, usual, ordinary, and necessary living expenses and attorney fees”); *SEC v. Laumbattus*, No. 08-CV-0787-MJR (S.D. Ill. Nov. 26, 2008), ECF No. 21 (entering preliminary injunction including an asset freeze based on claims by SEC of violations of securities fraud but allowing defendant to petition to request “a monthly payment to pay for reasonable living expenses”); *CFTC v. Noble Metals Int’l*, 67 F.3d 766, 775 n.8 (9th Cir. 1995) (noting temporary restraining order permitted individual defendants to “expend funds ‘for ordinary, reasonable, and necessary living expenses’” from frozen assets); Statutory Restraining Order, *CFTC v. Wilson*, 11-cv-1651 (S.D. Cal. Aug. 18, 2011), ECF No. 13 (permitting defendant to withdraw up to \$6,000 per month from an account subject to asset freeze to pay for living expenses); Temporary Restraining Order, *SEC v. Holzhueter et al*, No. 15-cv-45 (W.D. Wis. Jan. 28, 2015), ECF No. 20 (permitting defendant to “use up to \$4,000 per month of funds otherwise subject to the asset freeze for his ordinary and necessary personal living expense”).

⁴ See, e.g., *SEC v. Dowdell*, 175 F. Supp. 2d 850, 854-55 (W.D. Va. 2001) (modifying temporary restraining order to release funds on a monthly basis for defendants' living expenses); *FTC v. Ragingbull.com, LLC*, No. GLR-20-3538, 2021 U.S. Dist. LEXIS 67035, at *11 (D. Md. Jan. 25, 2021) (granting defendants' request for the release of \$25,000 from accounts subject to a temporary restraining order to be used for living expenses); *FTC v. Amy Travel Serv., Inc.*, 875 F.2d 564, 570 (7th Cir. 1989) (noting that temporary restraining order in the case had been modified to allow for the payment of reasonable living expenses and attorneys' fees); Order, *FTC v. Health Formulas, LLC, et al*, No. 2:14-cv-01649 (D. Nev. Dec. 4, 2014), ECF No. 77 (modifying temporary restraining order to permit receiver to pay up to \$10,000 for individual defendants' mortgage payments, car lease payments, health and life insurance premiums, and utilities); *United States v. Madeoy*, 652 F. Supp. 371, 377 (D.D.C. 1987) (unfreezing \$26,250 for the purpose of allowing defendant to pay his ordinary and necessary living expenses).

429 (internal quotation and citation omitted). Weighing these factors, the Court found that “it [was] appropriate to modify the freeze as to both [defendants] to permit payment of” the “substantial . . . legal fees and disbursements” they had incurred to that point in the case. *Id.* at 430.

Courts in the Seventh Circuit have made such allowances for attorneys’ fees at the early stages of a proceeding before a final order determining that defendants have committed violations. *See FTC v. QT, Inc.*, 467 F. Supp. 2d 863, 866 (N.D. Ill. 2006) (stating that a provision for attorneys’ fees is necessary to enable defendants to obtain representation during the preliminary injunction phase of a proceeding to defend themselves against the government’s charges); *FTC v. Think Achievement Corp.*, 312 F.3d 259, 262 (7th Cir. 2002) (affirming the release of certain frozen assets to pay attorney fees prior to the entry of a final judgment finding that frozen assets were a product of fraud); *Amy Travel Serv., Inc.*, 875 F.2d at 575 (noting that TRO modified to permit payment of attorneys’ fees); *FTC v. Windermere Big Win Int’l, Inc.*, 98 C 8066, 1999 U.S. Dist. LEXIS 12259, at *19 (N.D. Ill. Aug. 5, 1999) (stating that “[d]efendants may petition the Court for payment of reasonable attorney’s fees and expenses from frozen assets”). The payment of attorneys’ fees is appropriate until there is a final judgment, not merely a preliminary injunction, because a preliminary injunction is not a finding that defendants have committed violations or that the CFTC has succeeded on its merits. *See, e.g., FTC v. Am. Tax Relief LLC*, 751 F. Supp. 2d 972, 988-89 (N.D. Ill. 2010).

Attorneys’ fees are appropriately paid where, as here, the case is complex and attorneys’ fees are provided for in relevant contracts. For instance, in *Dowdell*, the Court permitted the release of frozen assets to permit the defendant to pay for attorneys, noting that it was concerned with “the fairness of the proceedings.” 175 F. Supp. 2d at 856. The Court found

that the defendant's access to an attorney was necessary to secure a "fair result" because the Court was presented with "a complex legal matter, and lawyers are essential to the presentation of issues related to it." *Id.* See also *Ragingbull*, 2021 U.S. Dist. LEXIS 67035 at *10 (finding that that fairness required a release of frozen funds to pay for attorneys' fees); *Am. Tax Relief LLC*, 751 F. Supp. 2d at 988 (finding that the payment of attorney fees was reasonable, especially in situations where the case is not "cut-and-dried"); *United States v. Payment Processing Ctr., LLC.*, 439 F. Supp. 2d 435, 436 (E.D. Pa. 2006) (allowing corporation to advance legal fees to individual corporate officers, despite all funds as part of receivership "[a]s a matter of fairness [that] individual defendants merit separate and independent legal counsel to defend themselves.").

As Defendants asserted in their Answer, the Complaint overlooks the Private Placement Memorandum ("PPM"), the most critical fund document, which contains a detailed explanation of the investment strategy, the fees to which the manager was entitled, as well as investor disclosures. Dkt. No. 40, at p. 2. The Complaint also alleges that participant funds received by certain entities were not even invested in digital assets, although the digital asset holdings are publicly available. *Id.* Where a government complaint overreaches or provides an incomplete picture, attorneys' fees are particularly justified. See e.g., *Gonzalez de Castilla*, 170 F. Supp. 2d 427 at 430 (permitting attorneys' fees when defendants had presented a possible challenge to the SEC's evidence); *Am. Tax Relief LLC*, 751 F. Supp. 2d at 988 (allowing attorneys' fees when the ownership of the frozen assets is still very much in issue and the evidence of record challenged the government's allegations).

The presence of lawyers also facilitates the possibility of an early resolution, which would be beneficial to all parties. Counsel's work to prepare for the initial meeting with

the government was substantial but necessary in order to frame upcoming settlement discussions, and those discussions could not take place with Ikkurty acting *pro se*. To prevent injustice and encourage the possibility of an early and efficient resolution, lawyers are essential to the presentation of issues this case.⁵

In addition to the equities, Ikkurty has a contractual right to advancement of his legal fees necessary for his defense. The Limited Partnership Agreements (“LPA”) for both Fund I and Fund II—which govern the rights of the Jafia and its affiliates and investors—expressly provides for such advancement of legal fees by the Funds. The Fund II LPA provides:

[Jafia LLC], each of its directors, members, partners, shareholders, officers, employees . . . (each an “Indemnitee”) shall be indemnified . . . to the fullest extent legally permissible under and by virtue of the laws of the State of Delaware. . . Upon request, **the Partnership shall, in the discretion of the General Partner, advance amounts and/or pay expenses as incurred in connection with the indemnification obligation herein;** provided, however, that if it is later determined that such party was not entitled to indemnification, then such party will promptly reimburse the Partnership for all advanced amounts.

Ex. C at Section 3.03(b). Ikkurty, Jafia’s sole officer and president, is an “Indemnitee” under the Fund II LPA.⁶ He is therefore contractually entitled to the advancement of his “attorney’s fees and expenses” in connection with this enforcement action.

⁵ Other courts have also carved out funds from asset freezes to pay for attorneys’ fees during the pendency of enforcement actions. *See, e.g.,* Order, *Health Formulas, LLC*, No. 2:14-cv-01649, ECF No. 77 (modifying TRO and directing temporary receiver to make disbursement for attorneys’ fees); *SEC v. Gryphon Holdings*, No. 10-CV-1742, 2010 U.S. Dist. LEXIS 162013, at *5 (E.D.N.Y. June 28, 2010) (permitting release of funds to pay for legal fees because “at this stage of the proceedings—where the Commission has done no more than assert its claims in a Complaint and the defendants contest liability — the defendants’ right to due process weighs heavily against the... unrestricted deprivation of [defendants’] property”); *S.E.C. v. Shiffer*, No. 97-cv-5853, 1998 U.S. Dist. LEXIS 8579, at *36 (S.D.N.Y. June 11, 1998) (permitting carve-out for attorney’ fees substantiated by court).

⁶ Similarly, a contractual right also arises from the Fund I LPA, which also provides that the Fund “shall . . . advance to any Indemnified Party reasonable attorneys’ fees and other costs and expenses incurred in connection with the defense of any action or processing that arises out of” alleged acts arising out of, or in connection with, Fund I. Ex. B at 3.03(b). Moreover, the PPM for the Funds disclosed Ikkurty’s advancement and indemnification rights to investors. *See* Exs. E at Section 13 (Fund I PPM) and F at Section 14 (Fund II PPM).

SEC v. Illarramendi, No. 3:11-cv-78, 2014 U.S. Dist. LEXIS 16459 (D. Conn. Feb. 10, 2014) is instructive. The Court in that case was asked to modify an asset freeze to permit the advancement of legal fees in light of an indemnification and advancement provision in an investment management agreement (“IMA”) with language indistinguishable from the language in the LPAs here.⁷ First, the Court noted that “[a]dvancement is determined as a matter of contractual right and is generally determined without regard to the merits of the underlying suit.” *Id.* at *17. Next, the Court found that Delaware law, which governed the IMA at issue in *Illarramendi* just as it governs the Fund II LPA here, “favors indemnification and the advancement of attorney’s fees for public policy reasons.” *Id.* at *18. And third, the Court further found that Delaware allows limitations and onerous prerequisites to advancements, but “[w]here, as here, no conditions were placed upon advancement, no [] preconditions will be read into” the advancement provision. *Id.* at *29. Based on these principles, the Court determined that the movants in *Illarramendi* demonstrated a *prima facie* right to the advancement of attorneys’ fees, notwithstanding the existing asset freeze.⁸

The same reasoning applies here. Delaware law controls the indemnity and advancement agreements of Fund II and Delaware courts have emphasized the importance of

⁷ The clause at issue in *Illarramendi* provided:

[I]t is agreed as an inducement to the Investment Manager’s undertaking these services that the Fund shall, to the fullest extent legally permissible under the laws of the State of Delaware, indemnify and hold harmless the Affiliated Parties. . . The Fund shall, upon request of an Affiliated Party, advance amounts in connection with its indemnification obligation; provided, however, that if it is later determined that such party was not entitled to be indemnified, then such party shall promptly reimburse the Fund for all advanced amounts.

Id. at 10-11.

⁸ Ultimately, on unique facts not at issue in this case, the Court denied the advancement of fees after a three-day hearing, determining that the equitable principle of “unclean hands” applied because the movants “surreptitiously rushed to provide for their own personal legal defense as the SEC and the Receiver were closing in on” their assets by secreting away funds and refusing to transfer them back. *See SEC v. Illarramendi*, No. 3:11-cv-78, 2014 U.S. Dist. LEXIS 182711, at *30 (D. Conn. Mar. 27, 2014).

indemnification in the partnership context as well. *See e.g., Weil v. Vereit Operating P'ship, L.P.*, No. 2017-0613, 2018 Del. Ch. LEXIS 48, at *9 (Del. Ch. Feb. 13, 2018) (noting that the Delaware Limited Partnership Act “is broadly empowering and deferential to the contracting parties’ wishes regarding indemnification and advancement” and “defers completely to the contracting parties to create and delimit rights and obligations with respect to indemnification and advancement of expenses.”); *Delphi Easter Partners Ltd. P'ship v. Spectacular Partners, Inc.*, Civil Action No. 12409, 1993 Del. Ch. LEXIS 159, at *5 (Del. Ch. Aug. 6, 1993) (stating that Section 17-108 is even broader than the statutory indemnification provision applicable to corporations, which requires success on the merits).

Finally, a portion of the attorneys’ fees (and nearly all the accounting fees) were incurred from conducting the detailed accounting required by the Consent Order. There simply was no feasible way for the Defendants to comply with the Consent Order without the assistance of accountants, and the work performed by StoneTurn was beneficial to the Receiver, so that work should be fairly compensated. As counsel will continue to assist Defendants to comply with the Consent Order and keep working with the government for a potential resolution, we additionally ask for the Court to enter an appropriate procedure for Ikkurty’s ongoing legal expenses to be reimbursed.

CONCLUSION

For the reasons set forth above, Ikkurty respectfully requests that the Court approve (1) a payment of \$20,620 for past rent expenses, (2) a regular monthly payment of \$8,458.46 for ongoing monthly expenses, (3) a payment of \$134,353.28 for accounting fees to comply with the requirements of the Consent Order; (4) a payment of \$326,470 of attorneys’ fees incurred to comply with the Consent Order, prepare to meet with the government, and prepare a

defense for Ikkurty; and (5) an order for the future payment of reasonable attorney fees incurred prior to a final order from this Court.

Dated: New York, New York
September 2, 2022

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on September 2, 2022, a true and correct copy of the foregoing **Defendant Sam Ikkurty's Motion for Payment of Living Expenses and Attorneys' Fees and Memorandum in Support** was served electronically upon all counsel of record via the Electronic Case Filing system of the Court.

/s/ Andrew C. Porter